

**CURRENT AND FUTURE WORLDWIDE THREATS  
TO THE NATIONAL SECURITY OF THE UNITED  
STATES**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON ARMED SERVICES**  
**UNITED STATES SENATE**  
**ONE HUNDRED EIGHTH CONGRESS**  
**SECOND SESSION**

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MARCH 9, 2004  
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# **CURRENT AND FUTURE WORLDWIDE THREATS TO THE NATIONAL SECURITY OF THE UNITED STATES**

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**TUESDAY, MARCH 9, 2004**

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

The committee met, pursuant to notice, at 9:35 a.m. in room SD-106, Dirksen Senate Office Building, Senator John Warner (chairman) presiding.

Committee members present: Senators Warner, Inhofe, Roberts, Allard, Sessions, Chambliss, Dole, Cornyn, Levin, Kennedy, Lieberman, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Dayton, Bayh, Clinton, and Pryor.

Committee staff members present: Judith A. Ansley, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Charles W. Alsup, professional staff member; Regina A. Dubey, research assistant; Brian R. Green, professional staff member; Lynn F. Rusten, professional staff member; and Diana G. Tabler, professional staff member.

Minority staff members present: Richard D. DeBobes, Democratic staff director; Evelyn N. Farkas, professional staff member; Richard W. Fieldhouse, professional staff member; Bridget W. Higgins, research assistant; Maren R. Leed, professional staff member; Michael J. McCord, professional staff member; and William G.P. Monahan, minority counsel.

Staff assistants present: Michael N. Berger, Nicholas W. West, and Pendred K. Wilson.

Committee members' assistants present: Darren Dick, assistant to Senator Roberts; Clyde A. Taylor IV, assistant to Senator Chambliss; Meredith Moseley, assistant to Senator Graham; Christine O. Hill, assistant to Senator Dole; Russell J. Thomasson, assistant to Senator Cornyn; Sharon L. Waxman and Mieke Y. Eoyang, assistants to Senator Kennedy; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Davelyn Noelani Kalipi and Richard Kessler, assistants to Senator Akaka; William K. Sutey, assistant to Senator Bill Nelson; Eric Pierce, assistant to Senator Ben Nelson; William Todd Houchins, assistant to Senator Dayton; Todd Rosenblum, assistant to Senator Bayh; Andrew Shapiro, assistant to Senator Clinton; and Terri Glaze, assistant to Senator Pryor.

**OPENING STATEMENT OF SENATOR JOHN WARNER,  
CHAIRMAN**

Chairman WARNER. Good morning. The Senate Armed Services Committee meets today to receive the annual—we do this at least once a year—testimony from the Director of Central Intelligence (DCI), George Tenet, and the Director of the Defense Intelligence Agency (DIA), Vice Admiral Jacoby. We receive from them their forecast of the worldwide threats directed towards our Nation here at home and abroad.

So I join with the committee in welcoming the witnesses back before the committee, and I personally commend each of you for your leadership.

There are few, if any, precedents for the challenges you face in your positions in this post-September 11 world. In my view, our country is more secure because of the vigilance and efforts of the hardworking civilian and military professionals who comprise the Intelligence Community which you proudly lead.

The circumstances of this hearing are compelling. In the aftermath of September 11, our military forces, working hand-in-hand with the Intelligence Community and coalition partners, have successfully defeated brutally repressive regimes and forces of terror in Iraq and in Afghanistan. This magnificent military force, active, Reserve, National Guard, and civilian, continues to prosecute an all-out global war to defeat terrorism.

They depend—and I repeat, depend—on the intelligence that you collectively and individually provide them. While there has been much discussion in recent weeks about certain intelligence failures, I think in fairness we should point out the many intelligence successes. As a result of this Intelligence Community, we have caught or killed 45 of the 55 most wanted in Iraq, we have captured Saddam Hussein, and we continue to find and eliminate key al Qaeda operatives. We have witnessed recent revelations about nuclear proliferation in Libya and Iran, as well as clandestine networks selling nuclear secrets indiscriminately.

The U.S. Intelligence Community was key to these revelations. Clearly, as a result our Nation, in my judgment, is a safer country as we confront and stop these proliferation activities, activities which could put weapons of mass destruction (WMD) in the hands of terrorists. However, dangerous threats remain. Much remains to be done to defeat the forces of terrorism and tyranny in the world.

The successes we have witnessed over the past year would not have been possible without the tireless, hardworking commitment of our Intelligence Community. A number of planned terrorist attacks have been deterred, disrupted, or defeated because of sound intelligence work. The witnesses before us today do not speak of those very often, as they should not. It is in the best interests of continuing that strong intelligence detection that not much be said. Such is the nature of the intelligence business.

Best estimates and judgments are drawn from available and often incomplete information. We ask intelligence analysts to make hard calls. They do it with total commitment to freedom. I am not suggesting we ignore the errors that are occasionally made, but we must always keep in mind that we have an extraordinarily capable intelligence system, the best in the world, the envy of the world,

and it is lead by dedicated, hardworking public servants. We must not lose sight of it in the current debate. Our forward-deployed forces and our intelligence system that supports them are and will remain our first line of defense.

In this same hearing last year, I directed a question to Director Tenet, as I did to all of the witnesses that came before this committee, and I asked what would the likelihood be of finding caches of WMD in Iraq following the major military operations. The Director's response was very straightforward, based on the facts as he understood them at that time. The Director said: "I believe we will. I believe we will find research and development (R&D). We will find stockpiles of things he, Saddam, has not declared and weapons he has not declared."

In my view, this response was entirely consistent with the intelligence we have been receiving in this country for over a decade, that came from the many agencies of the U.S. Intelligence Community, entirely consistent with the intelligence of other nations, and entirely consistent with the findings of the United Nations (U.N.). I see no evidence of exaggeration or manipulation, Mr. Director, in your response. Yours was a judgment based on many years of irrefutable facts, including Iraq's possession and use of chemical and biological weapons. This was confirmed by U.N. inspectors, confirmed by the actual use of those weapons by Saddam Hussein in Iran and against the Kurds, and confirmed by Iraq's development of ballistic missiles that violated international agreement, and confirmed by intelligence that suggested continued Iraqi deployment and production of chemical and biological weapons.

Without the benefit of hindsight, members of this committee, Members of the Senate, as well as past and present administrations, reached the same conclusion: Saddam Hussein possessed WMD. The Senate unanimously agreed in the Iraq Liberation Act of 1998 that Saddam Hussein's continued possession of WMD was a threat, a threat so dangerous that U.S. policy would be a policy of regime change in Iraq.

This act, Public Law 105, stated: "It should be the policy of the United States to support efforts to remove the regime headed by Saddam Hussein from power in Iraq and to promote the emergence of a democratic government to replace that regime." Those steps have been taken and yesterday we witnessed the dramatic signing of the transitional administrative document that will serve Iraq for the indefinite future.

It is true that we have not found some of the stockpiles which our best estimates indicated would be present in Iraq. However, I point out that the work of the Iraq Survey Group (ISG) is ongoing, and we look forward to General Dayton's and Dr. Duelfer's interim report at the end of this month.

What we have found in the aftermath of the liberation of Iraq is as follows: evidence of Saddam Hussein's intent to pursue WMD programs on a large scale; actual ongoing chemical and biological research programs; an active program to use the deadly chemical ricin as a weapon, a program that was interrupted only by the start of the military action in March; operational ballistic missiles that were deployed in clear violation of international agreements accepted following the First Persian Gulf War; and evidence that

Saddam Hussein was attempting to reconstitute his fledgling nuclear program as late as 2001.

This committee took the initiative to bring Dr. Kay to this very room and have a public hearing because, under the leadership of myself and the distinguished ranking member, we look upon it as a function and a responsibility of our oversight to bring forward all the facts irrespective of how they may come. In testimony in January before this committee, Dr. Kay, former Special Adviser to Director Tenet, told us that, based on the intelligence available to the President, not only U.S. intelligence but that of the U.N. and other nations, the President could have reached no other conclusion: Iraq had caches of chemical and biological weapons, had used them in the past, and was likely to use them in the future.

As Dr. Kay stated in this very room: "It was reasonable to conclude that Iraq posed an imminent threat. What we learned during the inspection made Iraq a more dangerous place potentially than in fact we thought it was even before the war."

Dr. Kay also told us that he found absolutely no evidence of any intelligence analysts being pressured to change or exaggerate any intelligence conclusions. On the contrary, he reminded us all that intelligence on the basic possession of Iraq's WMD had been consistent since 1998 when U.N. inspectors left Iraq. Dr. Kay and many others have reminded us that intelligence assessments often differ from what is later actually found on the ground. The important thing is when they differ to understand why, and I am confident our two witnesses will bring to light their views on that subject now.

Undoubtedly, the world is a safer place and Iraq is a better place because of U.S. and coalition military actions. A real and growing threat to the world has been eliminated. We did the right thing to rid Iraq of this brutal regime. In the weeks and months ahead, we will continue to go through a process of reviewing prewar intelligence, what went wrong, what worked well, what needs improvement, and what is being done.

The important work of our Intelligence Community must go on. It is critical that we keep our Intelligence Community focused on current and future threats. The members of this committee must understand the nature of current and future threats in order to carry out our responsibilities to the brave men and women in uniform who defend this country. Even though we tend to focus, quite properly, on current military operations, we must not lose sight of the other nontraditional threats that abound in this uncertain, complex world—the proliferation of WMD and missile technologies, information warfare, ethnic and religious conflict, and overall global trends. Our security demands vigilance in these areas and our military forces must be prepared to confront such threats.

We look forward to your frank assessments of the many wide-ranging threats to our national security.

Senator Levin.

#### **STATEMENT OF SENATOR CARL LEVIN**

Senator LEVIN. Thank you, Mr. Chairman. Let me first join you in welcoming our witnesses to the committee this morning.

The confidence of the American people and the world community in the assessments of our Intelligence Community depends upon the credibility of those assessments. That credibility has been badly damaged by the intelligence fiasco relative to the presence of WMD in Iraq before the war. The need to examine the intelligence that guided our Nation into war with Iraq is essential to avoid future mistakes which could weaken our Nation's security. It is essential that we establish confidence in our intelligence agencies.

The Intelligence Community was so wrong about Iraq's WMD that it understandably raises questions about what they say about other looming issues. For example, what are the prospects of a civil war in Iraq if there is no consensus within Iraq on the entity to which sovereignty will be transferred on July 1 of this year? As members of the Armed Services Committee, we may need to make critical judgments in that event, and we will hopefully be soliciting the help of the Intelligence Community.

Owning up to, critically examining, and correcting our failures are necessary first steps to assuring ourselves and our allies that our intelligence is objective, of high quality, and reliable.

The Intelligence Community told the Nation and the world before the war that Saddam Hussein had in his possession stockpiles of chemical and biological weapons, that he was reconstituting his nuclear weapons program, that he had mobile trailers for producing biological agents, that he had small unmanned aerial vehicles (UAVs) intended to deliver biological weapons, and so on. The Nation and the world were told that Saddam was in actual possession of WMD and was producing more, not just that he intended to get them, not just that he had a program for WMD or that he was engaged in WMD-related program activities, and not just that Saddam had not satisfactorily explained what happened to the WMD that we know he had after the Gulf War 10 years earlier.

No, Saddam's possession of stocks of WMD was what made the threat so immediately ominous. Initiating a war on the basis of faulty or exaggerated intelligence is a very serious matter. That is just as true if one supported the war or not, and that is just as true if Iraq ultimately turns out to be a stable democracy, which we all hope and pray that it does.

Life and death decisions are based on intelligence. The fact that intelligence assessments before the war were so wildly off the mark should trouble all Americans. It will not do to say, well, maybe the WMD disappeared across the border. The 120 high- and medium-priority suspect sites of WMD are still there to inspect. The mobile trailers are in our possession. The UAVs are in our possession. We cannot and should not delay critical self-assessment until every possibility, no matter how remote, is excluded.

In terms of its assessments that Iraq was in actual possession of WMD before the war, so far the Intelligence Community is batting zero. Moreover, some of the public pronouncements of the Intelligence Community before the war were actually inconsistent with its own underlying classified documents. Compare, if you will, the unclassified October 2002 white paper on Iraq's WMD programs and the classified October 2002 National Intelligence Estimate (NIE) on which the white paper's key judgments were based.



For instance, in one paragraph in the now-declassified portion of the NIE, take the judgment of the Intelligence Community that Iraq is “capable of quickly producing and weaponizing a variety of such biological weapons agents, including anthrax, for delivery by bombs, missiles, aerial sprayers, and covert operators.” However, in the unclassified white paper issued at the same time the clause, “including potentially against the U.S. only,” was added at the end of the paragraph. That clause was not in the then-classified NIE on which it was presumably based.

Another example. The then-classified NIE said, “Baghdad could make enough fissile material for a nuclear weapon by 2005 to 2007 if it obtains suitable centrifuge tubes this year and has all the other materials and technological expertise necessary to build production-scale uranium enrichment facilities.” Even that cautiously worded assessment was called in that classified NIE a “less likely scenario,” and there was even more caution added by a reference to Iraq’s, “inexperience in building and operating centrifuge facilities to produce highly enriched uranium and its challenges in procuring the necessary equipment and expertise.”

But the unclassified white paper issued by the Central Intelligence Agency (CIA), provided to the public, sounded a very different and a more ominous note. It said, “Baghdad may have acquired uranium enrichment capabilities that could shorten substantially the amount of time necessary to make a nuclear weapon.” There is nothing in that public paper about “less likely” or “inexperience” or “challenges.”

Exacerbating the CIA’s inconsistencies between its public and classified statements was the existence of an intelligence assessment office in the Department of Defense (DOD) outside of the Intelligence Community. According to press reports, that office, called the Office of Special Plans, working for Under Secretary of Defense for Policy Doug Feith, found an Iraq-al Qaeda collaboration where the CIA did not. This office had its own direct access into the National Security Council (NSC) and the Office of the Vice President. Its analysis was reportedly critical of the CIA for not finding collaboration between Iraq and al Qaeda, and that seems to have affected what the CIA was avoiding saying publicly compared to what it was saying in the classified documents.

In its then-classified NIE assessment, the CIA had real doubts that Saddam would supply WMD to terrorist surrogates. The CIA talked about Saddam transferring WMD to terrorist groups in its classified document as an “extreme step” which he might take only if “desperate.” Listen to that caution and the nuance in the CIA’s then-classified assessment:

“Baghdad for now appears to be drawing a line short of conducting terrorist attacks with conventional or chemical or biological weapons against the United States, fearing that exposure of Iraqi involvement would provide Washington a stronger cause for making war. Iraq probably would attempt clandestine attacks against the U.S. homeland if Baghdad feared an attack that threatened the survival of the regime were imminent or unavoidable or possibly for revenge. Such attacks, more likely with biological than chemical agents, probably would be carried out by Iraq’s special forces or intelligence operatives. Saddam, if sufficiently desperate, might de-

cide that only an organization such as al Qaeda could perpetrate the type of terrorist attack that he would hope to conduct. In such circumstances, he might decide that the extreme step of assisting the Islamic terrorists in conducting a chemical or biological weapons attack against the United States would be his last chance to exact vengeance by taking a large number of victims with him."

But none of those then-classified judgments were included in the CIA's public white paper. The CIA's doubts about Iraq's collaboration with al Qaeda were buried in classification from the public eye on the eve of our going to war.

How different the CIA's classified judgments sound from the President's very public warnings to the American people that, "Saddam would like nothing more than to use a terrorist network to attack and to kill and leave no fingerprints behind," and that, "Each passing day could be the one on which the Iraqi regime gives anthrax or VX nerve gas or some day a nuclear weapon to a terrorist group."

Why was the skepticism in the then-classified NIE about the possibility of Saddam transferring WMD to terrorists left out of the public white paper of the CIA? Was it because the Pentagon's Office of Special Plans was putting on a full court press for the existence of an Iraq-al Qaeda collaboration? Was the administration listening to the Office of Special Plans rather than the Intelligence Community?

We need to find the answers to these and many other questions. This committee has a special responsibility to the men and women of our Armed Forces to look at the prewar intelligence because planning for military operations is based on intelligence. Flawed intelligence can put our troops and our Nation at risk.

Our credibility globally has taken a big hit because of this massive intelligence failure. As a result, there is less support from people and nations around the world for the United States and for the war on terrorism. Serious consequences can follow because we depend on other people and other nations to provide us with valuable tips and information. We need their cooperation fighting terrorism. When we face future international security crises, we will undoubtedly seek the support and cooperation of the international community based on our Intelligence Community's assessment that there is a threat. It will be harder to secure that cooperation if our intelligence is not viewed as credible and objective.

For the sake of our future safety as a Nation, we simply cannot accept intelligence being as far off the mark as it was before the Iraq war.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Levin.

Director Tenet.

#### **STATEMENT OF HON. GEORGE J. TENET, DIRECTOR OF CENTRAL INTELLIGENCE**

Mr. TENET. Thank you, Mr. Chairman. I am going to proceed with our threat statement and then take questions.

Mr. Chairman, last year I described a national security environment that was significantly more complex than at any time during my tenure as DCI. The world I will discuss today is equally, if not

more, complicated and fraught with dangers for the United States, but one that also holds great opportunity.

I begin with terrorism. The al Qaeda leadership structure we charted after September 11 is seriously damaged, but the group remains as committed as ever to attacking the U.S. homeland. But as we continue to battle against al Qaeda, we must overcome a movement, a global movement, infected by al Qaeda's radical agenda. In this battle we are moving forward in our knowledge of the enemy, his plans, capabilities, and intentions, and what we have learned today continues to validate my deepest concern that this enemy remains intent in obtaining and using catastrophic weapons.

Military and intelligence operations by the United States and its allies overseas have degraded the group. Local al Qaeda cells are forced to make their own decisions because of the central leadership's disarray. Al Qaeda depends on leaders who not only direct terrorist attacks, but who carry out the day-to-day tasks that support operations. Over the past 18 months we have killed or captured key al Qaeda leaders in every significant operational area—logistics, planning, finance, and training—and have eroded the key pillars of the organization, such as the leadership in Pakistani urban areas and operational cells in the al Qaeda heartland of Saudi Arabia and Yemen.

The list of al Qaeda leaders and associates who will never again threaten the American people includes: Khalid Shaykh Muhammad, al Qaeda's operations chief and the mastermind of the September 11 attacks; Hambali, the senior operational planner in South Asia; Abu Zabayda, a senior logistics officer and plotter; and many others.

We are creating large and growing gaps in the al Qaeda hierarchy and unquestionably bringing these key operators to ground disrupted plots that would otherwise have killed Americans.

Meanwhile, al Qaeda central continues to lose operational safe havens and Osama bin Laden has gone deep underground. Al Qaeda's finances are also being squeezed, and we are receiving a broad array of help from our coalition partners, who have been central to our effort against al Qaeda. Since the May 12 bombings, the Saudi government has shown an important commitment to fighting al Qaeda in the Kingdom and Saudi officers have paid with their lives. Elsewhere in the Arab world, we are valuable vital cooperation from Jordan, Morocco, Egypt, Algeria, the United Arab Emirates (UAE), Oman, and others. President Musharraf of Pakistan remains a courageous and indispensable ally, who has become the target of assassins for the help that he has provided us.

We have made notable strides, Mr. Chairman, but do not misunderstand me. I am not suggesting al Qaeda is defeated. It is not. We are still at war. This is a leading organization that remains committed to attacking the United States, its friends and allies.

Successive blows to al Qaeda's central leadership have transformed the organization into a loose collection of regional networks that operate more autonomously. The sites of their attacks span the group's broad reach from Morocco, to Kenya, to Turkey, to Indonesia.

We should not take the fact that these attacks occurred abroad to mean that the threat to the U.S. homeland has waned because al Qaeda and associated groups undertook these attacks overseas. Detainees consistently talk about the importance the group still attaches to striking the main enemy, the United States.

Across the operational spectrum—air, maritime, special weapons—we have time and again uncovered plots that are chilling. On aircraft plots alone, we have uncovered new plans to recruit pilots and to evade new security measures in Southeast Asia, the Middle East, and Europe. Even catastrophic attacks on the scale of September 11 remain within al Qaeda's reach.

So far I have been talking about al Qaeda, but al Qaeda is not the limit of the terrorist threat worldwide. Mr. Chairman, what I want to say to you now may be the most important thing I tell you today: The steady spread of Osama bin Laden's anti-American sentiment through the wider Sunni extremist movement and through the broad dissemination of al Qaeda's destructive expertise ensures that a serious threat will remain for the foreseeable future with or without al Qaeda in the picture.

Even as al Qaeda has been weakened, other extremist groups within the movement have influence and have become the next wave of the terrorist threat. Dozens of such groups exist. One of the most immediate threats is from the smaller international Sunni extremist groups who have benefited from al Qaeda links. They include groups as diverse as the Zarqawi network and Ansar al Islam in Iraq, the Libyan Islamic Fighting Group, and the Islamic Movement of Uzbekistan.

These far-flung groups increasingly set the agenda and are redefining the threat that we face. Beyond these groups are the so-called foreign jihadists, individuals ready to fight anywhere when they believe Muslim lands are under attack by those they see as infidel invaders. For the growing number of jihadists interested in attacking the United States, the spectacular attack on the U.S. homeland remains the brass ring that many strive for, with or without encouragement by al Qaeda's central leadership.

Mr. Chairman, I have consistently talked about and warned about al Qaeda's interest in chemical, biological, radiological, and nuclear (CBRN) weapons. Acquiring these remains a religious obligation in bin Laden's eyes, and al Qaeda and more than two dozen terrorist groups are pursuing CBRN material. Over the last year we have also seen an increase in the threat of more sophisticated CBRN capability. For this reason, we take very seriously the threat of a CBRN attack. Extremists have widely disseminated assembly instructions for an improvised chemical weapon using common materials that could cause a large number of casualties in crowded enclosed areas.

Although gaps in our understanding remain, we see al Qaeda's program to produce anthrax as one of the most immediate terrorist CBRN threats we are likely to face. Al Qaeda continues to pursue its strategic goal of obtaining a nuclear capability. It remains interested in dirty bombs. Terrorist documents contain accurate views of how such weapons would be used.

I focused correctly on al Qaeda and related groups, but other terrorist organizations also threaten American interests. Lebanese

Hezbollah cooperates with Palestinian groups in Israel and the West Bank and appears to be increasing its support. It is also working with Iran and surrogate groups in Iraq and would likely react to an attack against it, Syria, or Iran with attacks against the U.S. and Israeli targets worldwide. Iran and Syria continue to support terrorist groups and their links into Iraq have become problematic to our efforts there.

Mr. Chairman, with regard to Iraq, we are making significant strides against the insurgency and terrorism, but former regime elements and foreign jihadists continue to pose a serious threat to Iraq's new institutions and to our own forces. We witnessed the bloodiest single day in Iraq since the war, which left more than 120 Iraqi civilians dead last week at the hands of terrorists and more than 300 others wounded.

All 25 members of the Iraq Governing Council (IGC), at the same time, on a positive note, signed the Transitional Administrative Law on the 8th of March. Such delays, while unfortunate—we need to remember that what the Iraqis are trying to accomplish here is monumental. They are creating a democracy from the ground up. This process will be difficult, will witness delays and setbacks, and will be marked by violence. Sovereignty will be returned to an interim government by July 1, although the structure and mechanism for determining this remain unresolved.

The emerging Iraqi leadership will face many pressing issues, among them organizing national elections, integrating the Sunni minority into the political mainstream, managing Kurdish autonomy in a Federal structure, and determining the role of Islam in the Iraqi state.

Saddam is in prison and the coalition has taken care of, as you said, all but 10 of his 54 cronies, Mr. Chairman. But the violence continues. The daily average number of attacks on U.S.-led coalition forces has dropped from its November peak, but is similar to that of last August. In the past 2 weeks violence has been on the upswing. As we approach the transfer of sovereignty on July 1, terrorists may try to complicate the transfer and intimidate Iraqis who are working to make it happen.

The insurgency consists of multiple groups with varying motivations, but all with the same goal: driving the United States and our coalition partners from Iraq. Intelligence has given us a good understanding of the insurgency at the local level and this information is behind many of the successful raids you may have heard about. U.S. military and Intelligence Community efforts to round up former regime figures have disrupted some insurgent plans to carry out additional attacks. But we know these insurgent cells are intentionally decentralized to avoid easy penetration and to prevent the rollup of whole networks. Arms, funding, and military experience remain readily available.

Mr. Chairman, the situation as I have described it, both our victories and our challenges, indicates we have damaged but not yet defeated the insurgents. The security situation is further complicated by the involvement of terrorists, including Ansar al Islam and Zarqawi, and foreign jihadists coming into Iraq to wage jihad. Their goal is clear. They intend to inspire an Islamic extremist insurgency that would threaten coalition forces and put a halt to the

long-term process of building democratic institutions and governance in Iraq. They hope for a Taliban-like enclave in Iraq's Sunni heartland that would be a jihadists' safe haven.

Ansar al Islam, an Iraqi Kurdish extremist group, is waging a terrorist campaign against the coalition presence and cooperative Iraqis in a bid to inspire jihad and create an Islamic state. Some extremists even go further. In a recent letter, terrorist planner Abu Musab al-Zarqawi outlined his strategy to foster sectarian civil war in Iraq aimed at inciting the Shia. The massive lethal attacks last week against Shia worshippers in Baghdad and Karbala were consistent with the plans of Zarqawi, but we have not conclusively identified the perpetrators.

Stopping the foreign extremists from turning Iraq into the most important jihad rests in part on preventing loosely connected extremists from coalescing into a cohesive terrorist organization. We are having some success. The coalition has arrested key jihadist leaders and facilitators in Iraq, including top leaders from Ansar al Islam, the al-Zarqawi network, and other al Qaeda affiliates.

We are concerned, Mr. Chairman, that foreign jihadists and the former regime elements might coalesce. At this point we have seen few signs of such cooperation at the tactical or local level. Ultimately the Iraqi people themselves must provide the fundamental solutions. As you well know, the insurgents are incessantly and violently targeting Iraqi police and security forces, precisely because they fear the prospect of Iraqis securing their own interests.

Success depends on broadening the role of local security forces. This goes well beyond greater numbers. It means continuing work already under way, fixing equipment shortages, providing training, ensuring adequate pay, to build a force of increasing quality and confidence that will support the Iraqi people.

It is hard to overestimate the importance of greater security for Iraqis, particularly as we turn to the momentous political events slated for 2004. Iraqi Arabs and many Kurds possess a strong Iraqi identity, forged over a tumultuous 80-year history and especially during the nearly decade-long war with Iran. Unfortunately, Saddam's divide-and-rule policy and his favored treatment of the Sunni minority aggravated tensions to the point where the key to governance in Iraq today is managing these competing sectional interests.

The majority of Shia look forward to the end of Sunni control, which began with the British creation of Iraq. The Shia community nevertheless has internal tensions between the moderate majority and the radical minority. The Kurds see many opportunities to advance their long-term goals, returning to the autonomy they enjoyed over the last 12 years and expanding their power and territory. The minority Sunni fear Shia and Kurdish ambitions. Such anxieties help animate Sunni support for the insurgents. The Sunni community is still at a very early state of establishing political structures to replace the defeated Baath Party.

I should qualify what I have said, Mr. Chairman. No society, and surely not Iraq's complex tapestry, is so simple as to be captured in three or four categories—Kurds, Shia, and Sunni. In reality, Iraqi society is filled with more cleavages and more connections than a simple topology can suggest. We seldom hear about the

strong tribal alliances that have long existed between the Sunni and the Shia or the religious commonalities between the Sunni, Kurd, and Arab communities, or the moderate secularism that spans Iraqi groups. We tend to identify and stress the tensions that tear communities apart, but opportunities also exist for these groups to work together for common goals.

If we focus on events like the attacks last week in Baghdad and Karbala, we should remember that the perpetrators are seeking to incite intercommunal violence and that the affected communities have instead replied by pulling together and refusing to demonize each other.

The social and political interplay is further complicated by Iran, especially in the south where Tehran pursues its own interests and hopes to maximize its influence among the Shia after the 1st of July. Tehran also runs humanitarian and outreach programs that have probably enhanced its reputation among Iraqi Shia, but many remain suspicious.

The most immediate political challenge for Iraqis is to choose the transitional government that will rule their country while they write their permanent constitution. The Shia cleric, the Grand Ayatollah Sistani, has made this selection process the centerpiece of his effort to ensure that Iraqis will decide their own future and choose the first sovereign post-Saddam government. Sistani favors direct elections as the way to produce a legitimate accountable government. His religious pronouncements show that above all else he wants Iraq to be independent of foreign powers. Moreover, his praise of free elections and his theology reflect in our reading a clear-cut opposition to an Iranian-style theocracy. Once the issues involved in the selection of a transitional government are settled, Iraq's permanent constitution will take shape.

I want to briefly touch on the Sunnis and federalism and Islam, Mr. Chairman, because I think it is important. The Sunnis are at least a fifth of the population, inhabit the country's strategic heartland, and comprise a sizable share of Iraq's professional and middle class. The Sunnis are disaffected as a deposed ruling minority, but some are beginning to recognize that boycotting the emerging political process will weaken their community.

Their political isolation may be breaking down in parts of the Sunni triangle as some Sunni Arabs have begun to engage the coalition and assume local leadership roles. In the last 3 months we have also seen the founding of national-level Sunni umbrella organizations to deal with the coalition and IGC on questions like Sunni participation in choosing the transitional government. But there is a long way to go here.

The relationship between the political center and Iraq's diverse ethnic and religious communities will frame the future constitutional debate. To make a federal government stick, Kurdish and Arab leaders will need to explain convincingly that a federal structure benefits all Iraqis and not just the Kurds. The Transitional Administrative Law makes Islam Iraq's official creed, but protects religious freedom. It also creates a legal system that is a mix of traditions, including Islamic law.

Security will be very important over the next year, Mr. Chairman. I do not want to underestimate that. But reconstruction and

economic vitality and employment is also important. Reconstruction progress and Iraq's own considerable assets, its natural resources and its educated populace, should enable the Iraqis to see important improvement in 2004 in their infrastructure and quality of life. The recovery of Iraqi oil production will help. Production is on track to approach 3 million barrels a day by the end of this year. Iraq has not produced this much oil since before the Gulf War.

But much more needs to be done. Key public services such as water, sewage, and transportation will have difficulty reaching prewar levels by July and will not meet the higher target of total Iraqi demand. Electric power capacity approaches prewar levels, but still falls short of demand. Looting and sabotage may make supplies unreliable.

Finally, unemployment and underemployment, which afflict about half of the work force, will remain a key problem and a potential breeding ground for popular discontent.

Mr. Chairman, in my proliferation section I summarize the facts that Libya is taking steps toward strategic disarmament, North Korea is trying to leverage its nuclear program into at least a bargaining chip and also international legitimacy and influence, and that Iran is exposing some programs while trying to preserve others. I will not go through the Libyan case, Mr. Chairman. This was an intelligence success in terms of our engagement over the last many months. Libya is now talking to the international organizations of the United Nations and we will watch carefully whether it lives up to its obligations.

North Korea is trying to leverage its nuclear weapons program into international legitimacy and bargaining power, announcing its withdrawal from the Nonproliferation Treaty (NPT) and openly proclaiming that it has a nuclear deterrent. Since December 2002, Pyongyang has announced its withdrawal from the NPT and expelled International Atomic Energy Agency (IAEA) inspectors. Last year, Pyongyang claimed to have finished reprocessing the 8,000 fuel rods that had been sealed by the United States and North Korean technicians and stored under IAEA monitoring since 1994.

The Intelligence Community judged in the mid-1990s that North Korea had produced one, possibly two, nuclear weapons. The 8,000 rods the North claims to have reprocessed into plutonium metal would provide enough plutonium for several more bombs. We also believe that Pyongyang is pursuing a production-scale uranium enrichment program based on technology provided by A.Q. Khan. This would give North Korea an alternative route to a nuclear weapon. The North Koreans continue to deny that they have a highly-enriched uranium (HEU) program and say their offer of a nuclear freeze does not cover civilian use of nuclear energy.

Iran is taking yet a different path, acknowledging work on a covert nuclear fuel cycle while trying to preserve its WMD option. The good news is that Tehran has acknowledged more than a decade of covert nuclear activity and agreed to open itself to an enhanced inspection regime. It for the first time acknowledged many of its nuclear fuel cycle development activities, including large-scale gas centrifuge uranium enrichment efforts.



Iran claims its centrifuge program is designed to produce low enriched uranium to support Iran's civil nuclear program. This is permitted under the NPT. But here is the down side: The same technology can be used to build a military program as well. The difference between producing low enrichment uranium and weapons-capable HEU is only a matter of time and intent, not technology. As a result, it would be a significant challenge for intelligence to confidently assess whether that red line has been crossed.

Mr. Chairman, I go on to talk about the A.Q. Khan network. You know that we have unravelled that. I want to just say for a moment one other area that concerns us is Russian WMD materials and technology remain vulnerable to theft or diversion. We are also concerned by the continued eagerness of Russia's cash-strapped defense, biotechnology, chemical, aerospace, and nuclear industries to raise funds via exports and transfers, which makes Russian expertise an attractive target for countries and groups seeking WMD and missile-related assistance.

Mr. Chairman, I think I will stop there. I talk about a lot of other things—internal developments in Iran, the current situation in Afghanistan, our understanding of the current situation in Colombia and other places, and other transnational issues. Since this is largely the same statement I issued when I talked to the Senate Intelligence Committee in the open session, I think we will go to questions and Reserve the rest of the time for the members.

[The prepared statement of Mr. Tenet follows:]

PREPARED STATEMENT BY HON. GEORGE J. TENET

DCI'S WORLDWIDE THREAT BRIEFING—THE WORLDWIDE THREAT 2004: CHALLENGES IN A CHANGING GLOBAL CONTEXT

Good morning, Mr. Chairman, Mr. Vice Chairman, members of the committee.

Mr. Chairman, last year I described a national security environment that was significantly more complex than at any time during my tenure as Director of Central Intelligence (DCI). The world I will discuss today is equally, if not more, complicated and fraught with dangers for United States interests, but one that also holds great opportunity for positive change.

*Terrorism*

I'll begin today on terrorism, with a stark bottom-line:

- The al Qaeda leadership structure we charted after September 11 is seriously damaged—but the group remains as committed as ever to attacking the U.S. homeland.
- But as we continue the battle against al Qaeda, we must overcome a movement—a global movement infected by al Qaeda's radical agenda.
- In this battle we are moving forward in our knowledge of the enemy—his plans, capabilities, and intentions.
- What we've learned continues to validate my deepest concern: that this enemy remains intent on obtaining, and using, catastrophic weapons.

Now let me tell you about the war we've waged against the al Qaeda organization and its leadership.

- Military and intelligence operations by the United States and its allies overseas have degraded the group. Local al Qaeda cells are forced to make their own decisions because of the central leadership's disarray.

Al Qaeda depends on leaders who not only direct terrorist attacks but who carry out the day-to-day tasks that support operations. Over the past 18 months, we have killed or captured key al Qaeda leaders in every significant operational area—logistics, planning, finance, training—and have eroded the key pillars of the organization, such as the leadership in Pakistani urban areas and operational cells in the al Qaeda heartland of Saudi Arabia and Yemen.

The list of al Qaeda leaders and associates who will never again threaten the American people includes:

- Khalid Shaykh Muhammad, al Qaeda's operations chief and the master-mind of the September 11 attacks.
- Nashiri, the senior operational planner for the Arabian Gulf area.
- Abu Zubayda, a senior logistics officer and plotter.
- Hasan Ghul, a senior facilitator who was sent to case Iraq for an expanded al Qaeda presence there.
- Harithi and al-Makki, the most senior plotters in Yemen, who were involved in the bombing of the U.S.S. *Cole*.
- Hambali, the senior operational planner in Southeast Asia.

We are creating large and growing gaps in the al Qaeda hierarchy.

Unquestionably, bringing these key operators to ground disrupted plots that would otherwise have killed Americans.

Meanwhile, al Qaeda central continues to lose operational safehavens, and bin Ladin has gone deep underground. We are hunting him in some of the most unfriendly regions on Earth. We follow every lead.

Al Qaeda's finances are also being squeezed. This is due in part to takedowns of key moneymen in the past year, particularly the Persian Gulf, Southwest Asia, and even Iraq.

We are receiving a broad array of help from our coalition partners, who have been central to our effort against al Qaeda.

- Since the May 12 bombings, the Saudi government has shown an important commitment to fighting al Qaeda in the Kingdom, and Saudi officers have paid with their lives.
- Elsewhere in the Arab world, we're receiving valuable cooperation from Jordan, Morocco, Egypt, Algeria, the United Arab Emirates (UAE), Oman, and many others.
- President Musharraf of Pakistan remains a courageous and indispensable ally who has become the target of assassins for the help he's given us.
- Partners in Southeast Asia have been instrumental in the roundup of key regional associates of al Qaeda.
- Our European partners worked closely together to unravel and disrupt a continent-wide network of terrorists planning chemical, biological, and conventional attacks in Europe.

So we have made notable strides. But do not misunderstand me. I am not suggesting al Qaeda is defeated. It is not. We are still at war. This is a learning organization that remains committed to attacking the United States, its friends, and allies.

Successive blows to al Qaeda's central leadership have transformed the organization into a loose collection of regional networks that operate more autonomously. These regional components have demonstrated their operational prowess in the past year.

- The sites of their attacks span the group's broad reach—Morocco, Kenya, Turkey, Jordan, Saudi Arabia, Kuwait, Afghanistan, Pakistan, Indonesia.
- Al Qaeda seeks to influence the regional networks with operational training, consultations, and money. Khalid Shaykh Muhammad sent Hambali \$50,000 for operations in Southeast Asia.

You should not take the fact that these attacks occurred abroad to mean the threat to the U.S. homeland has waned. As al Qaeda and associated groups undertook these attacks overseas, detainees consistently talk about the importance the group still attaches to striking the main enemy: the United States. Across the operational spectrum—air, maritime, special weapons—we have time and again uncovered plots that are chilling.

- On aircraft plots alone, we have uncovered new plans to recruit pilots and to evade new security measures in Southeast Asia, the Middle East, and Europe.
- Even catastrophic attacks on the scale of September 11 remain within al Qaeda's reach. Make no mistake: these plots are hatched abroad, but they target U.S. soil or that of our allies.

So far, I have been talking only about al Qaeda. But al Qaeda is not the limit of the terrorist threat worldwide. Al Qaeda has infected others with its ideology, which depicts the United States as Islam's greatest foe. Mr. Chairman, what I want to say to you now may be the most important thing I tell you today.

The steady spread of Osama bin Ladin's anti-U.S. sentiment—though the wider Sunni extremist movement and through the broad dissemination of

al Qaeda's destructive expertise—ensures that a serious threat will remain for the foreseeable future . . . with or without al Qaeda in the picture.

A decade ago, bin Laden had a vision of rousing Islamic terrorists worldwide to attack the United States. He created al Qaeda to indoctrinate a worldwide movement in global jihad, with America as the enemy—an enemy to be attacked with every means at hand.

- In the minds of bin Laden and his cohorts, September 11 was the shining moment, their “shot heard ‘round the world,” and they want to capitalize on it.

So, even as al Qaeda has been weakened, other extremist groups within the movement it influenced have become the next wave of the terrorist threat. Dozens of such groups exist. Let me offer a few thoughts on how to understand this challenge.

- One of the most immediate threats is from smaller international Sunni extremist groups who have benefited from al Qaeda links. They include groups as diverse as the al-Zarqawi network, the Ansar al-Islam in Iraq, the Libyan Islamic Fighting Group, and the Islamic Movement of Uzbekistan.
- A second level of threat comes from small local groups, with limited domestic agendas, that work with international terrorist groups in their own countries. These include the Salafiya Jihadia, a Moroccan network that carried out the May 2003 Casablanca bombings, and similar groups throughout Africa and Asia.

These far-flung groups increasingly set the agenda, and are redefining the threat we face. They are not all creatures of bin Laden, and so their fate is not tied to his. They have autonomous leadership, they pick their own targets, they plan their own attacks.

Beyond these groups are the so-called “foreign jihadists”—individuals ready to fight anywhere they believe Muslim lands are under attack by what they see as “infidel invaders.” They draw on broad support networks, have wide appeal, and enjoy a growing sense of support from Muslims who are not necessarily supporters of terrorism. The foreign jihadists see Iraq as a golden opportunity.

Let me repeat: for the growing number of jihadists interested in attacking the United States, a spectacular attack on the U.S. homeland is the “brass ring” that many strive for—with or without encouragement by al Qaeda's central leadership.

To detect and ultimately defeat these forces, we will continually need to watch hotspots, present or potential battlegrounds, places where these terrorist networks converge. Iraq is of course one major focus of concern. Southeast Asia is another. Even Western Europe is an area where terrorists recruit, train, and target.

- To get the global job done, foreign governments will need to improve bilateral, multilateral, and even inter-service cooperation, and strengthen domestic counterterrorist legislation and security practices.

Mr. Chairman, I have consistently warned this committee of al Qaeda's interest in chemical, biological, radiological and nuclear (CBRN) weapons. Acquiring these remains a “religious obligation” in bin Laden's eyes, and al Qaeda and more than two dozen other terrorist groups are pursuing CBRN materials.

- We particularly see a heightened risk of poison attacks. Contemplated delivery methods to date have been simple but this may change as non-al Qaeda groups share information on more sophisticated methods and tactics.

Over the last year, we've also seen an increase in the threat of more sophisticated CBRN weapons. For this reason we take very seriously the threat of a CBRN attack.

- Extremists have widely disseminated assembly instructions for an improvised chemical weapon using common materials that could cause a large numbers of casualties in a crowded, enclosed area.
- Although gaps in our understanding remain, we see al Qaeda's program to produce anthrax as one of the most immediate terrorist CBRN threats we are likely to face.
- Al Qaeda continues to pursue its strategic goal of obtaining a nuclear capability. It remains interested in dirty bombs. Terrorist documents contain accurate views of how such weapons would be used.

I've focused, and rightly so, on al Qaeda and related groups. But other terrorist organizations also threaten U.S. interests. Palestinian terrorist groups in Israel, the West Bank, and Gaza remain a formidable threat and continue to use terrorism to undermine prospects for peace.

- Last year Palestinian terrorist groups conducted more than 600 attacks, killing about 200 Israelis and foreigners, including Americans.

Lebanese Hizballah cooperates with these groups and appears to be increasing its support. It is also working with Iran and surrogate groups in Iraq and would likely react to an attack against it, Syria, or Iran with attacks against US and Israeli targets worldwide.

Iran and Syria continue to support terrorist groups, and their links into Iraq have become problematic to our efforts there.

Although Islamic extremists comprise the most pressing threat to U.S. interests, we cannot ignore nominally leftist groups in Latin America and Europe. The Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), Colombia's second largest leftist insurgent group, have shown a willingness to attack U.S. targets. So has the Revolutionary People's Liberation Party/Front—a Turkish group that has killed two U.S. citizens and targeted U.S. interests in Turkey.

Finally, cyber vulnerabilities are another of our concerns, with not only terrorists but foreign governments, hackers, crime groups, and industrial spies attempting to obtain information from our computer networks.

#### *Iraq*

Mr. Chairman, we are making significant strides against the insurgency and terrorism, but former regime elements and foreign jihadists continue to pose a serious threat to Iraq's new institutions and to our own forces.

- That said, we witnessed the bloodiest single day in Iraq since the war, which left more than 120 Iraqi civilians dead at the hands of terrorists and more than 300 others wounded.
- All 25 members of the Iraq Governing Council (IGC) signed the Transitional Administrative Law on 8 March—after the terrible Ashura attacks and a disagreement among Iraqis held up the signing past the appointed day.

Such delays are unfortunate, but we need to remember that what the Iraqis are trying to accomplish here is monumental—they are creating a democracy from the ground up. That process will be difficult, will witness delays and setbacks, and be marked by violence.

- Sovereignty will be returned to an interim Iraqi government by July 1, although the structure and mechanism for determining this remain unresolved.
- The emerging Iraqi leadership will face many pressing issues, among them organizing national elections, integrating the Sunni minority into the political mainstream, managing Kurdish autonomy in a Federal structure, and determining the role of Islam in the Iraqi state.

Meanwhile, Mr. Chairman, the important work of the Iraqi Survey Group (ISG) and the hunt for Iraqi weapons of mass destruction (WMD) continues. We must explore every avenue in our quest to understand Iraq's programs out of concern for the possibility that materials, weapons, or expertise might fall into the hands of insurgents, foreign states, or terrorists. I talked about this at length last week.

Let me update you on the overall security picture. Saddam is in prison, and the coalition has killed or apprehended all but 10 of his 54 key cronies. Iraqis are taking an increasing role in their own defense, with many now serving in the various new police, military, and security forces.

- But the violence continues. The daily average number of attacks on U.S. and coalition forces has dropped from its November peak but is similar to that of last August.

In the past 2 weeks, violence has been on the upswing. As we approach the transfer of sovereignty to Iraqis on July 1, terrorists may want to complicate the transfer and intimidate Iraqis who are working to make it happen.

The insurgency consists of multiple groups with varying motivations but all with the same goal: driving the United States and our coalition partners from Iraq. Saddam's capture was a psychological blow that took some of the less-committed Bathists out of the fight, but a hard core of former regime elements—Bath Party officials, military, intelligence, and security officers—are still organizing and carrying out attacks.

- Intelligence has given us a good understanding of the insurgency at the local level, and this information is behind the host of successful raids you've read about in the papers.

U.S. military and Intelligence Community efforts to round up former regime figures have disrupted some insurgent plans to carry out additional anti-coalition attacks. But we know these insurgent cells are intentionally decentralized to avoid easy penetration and to prevent the roll-up of whole networks. Arms, funding, and military experience remain readily available.

Mr. Chairman, the situation as I've described it—both our victories and our challenges—indicates we have damaged, but not yet defeated, the insurgents.

The security situation is further complicated by the involvement of terrorists—including Ansar al-Islam and al-Zarqawi—and foreign jihadists coming to Iraq to wage jihad. Their goal is clear. They intend to inspire an Islamic extremist insurgency that would threaten coalition forces and put a halt to the long-term process of building democratic institutions and governance in Iraq. They hope for a Taliban-like enclave in Iraq's Sunni heartland that could be a jihadist safehaven.

- Ansar al-Islam—an Iraqi Kurdish extremist group—is waging a terrorist campaign against the coalition presence and cooperative Iraqis in a bid to inspire jihad and create an Islamic state.

Some extremists go even further. In a recent letter, terrorist planner Abu Mus'ab al-Zarqawi outlined his strategy to foster sectarian civil war in Iraq, aimed at inciting the Shia.

- The massive lethal attacks last week against Shia worshippers in Baghdad and Karbala were consistent with the plans of al-Zarqawi and like-minded extremists—we have not, however, conclusively identified the perpetrators.

Stopping the foreign extremists from turning Iraq into their most important jihad yet rests in part on preventing loosely connected extremists from coalescing into a cohesive terrorist organization.

- We are having some success—the coalition has arrested key jihadist leaders and facilitators in Iraq, including top leaders from Ansar al-Islam, the al-Zarqawi network, and other al Qaeda affiliates.
- The October detention of Ansar al-Islam deputy leader set back the group's ambition to establish itself as an umbrella organization for jihadists in Iraq.

We're also concerned that foreign jihadists and former regime elements might coalesce. This would link local knowledge and military training with jihadist fervor and lethal tactics. At this point, we've seen a few signs of such cooperation at the tactical or local level.

Ultimately, the Iraqi people themselves must provide the fundamental solutions. As you well know, the insurgents are incessantly and violently targeting Iraqi police and security forces precisely because they fear the prospect of Iraqis securing their own interests. Success depends on broadening the role of the local security forces.

- This goes well beyond greater numbers. It means continuing work already under way—fixing equipment shortages, providing training, ensuring adequate pay—to build a force of increasing quality and confidence that will have the support of the Iraqi people.

It is hard to overestimate the importance of greater security for Iraqis particularly as we turn to the momentous political events slated for 2004.

- The real test will begin soon after the transfer of sovereignty, when we'll see the extent to which the new Iraqi leaders embody concepts such as pluralism, compromise, and rule of law.

Iraqi Arabs—and many Iraqi Kurds—possess a strong Iraqi identity, forged over a tumultuous 80 year history and especially during the nearly decade-long war with Iran. Unfortunately, Saddam's divide and rule policy and his favored treatment of the Sunni minority aggravated tensions to the point where the key to governance in Iraq today is managing these competing sectional interests.

Here's a readout on where these groups stand:

- The majority Shia look forward to the end of Sunni control, which began with the British creation of Iraq. The Shia community nevertheless has internal tensions, between the moderate majority and a radical minority that wants a Shia-dominated theocracy.
- The Kurds see many opportunities to advance long held goals: retaining the autonomy they enjoyed over the past 12 years and expanding their power and territory.
- The minority Sunni fear Shia and Kurdish ambitions. Such anxieties help animate Sunni support for the insurgents. The Sunni community is still at

a very early state of establishing political structures to replace the defeated Baath party.

I should qualify what I've just said: no society, and surely not Iraq's complex tapestry, is so simple as to be captured in three or four categories. Kurds. Shia. Sunni. In reality, Iraqi society is filled with more cleavages, and more connections, than a simple typology can suggest. We seldom hear about the strong tribal alliances that have long existed between Sunni and Shia, or the religious commonalities between the Sunni Kurd and Arab communities, or the moderate secularism that spans Iraqi groups.

- We tend to identify, and stress, the tensions that rend communities apart, but opportunities also exist for these group to work together for common ends.
- If we focus on the events like the attacks last week in Baghdad and Karbala, we should remember that the perpetrators were seeking to incite inter-communal violence—and that the affected communities have instead replied by pulling together and refusing to demonize each other.

The social and political interplay is further complicated by Iran, especially in the south, where Tehran pursues its own interests and hopes to maximize its influence among Iraqi Shia after July 1. Organizations supported by Iran—like the Supreme Council for the Islamic Revolution in Iraq (SCIRI) and its Badr Organization militia—have gained positions within the Iraqi police and control media outlets in Basrah that tout a pro-Iran viewpoint.

- Tehran also runs humanitarian and outreach programs that have probably enhanced its reputation among Iraqi Shia, but many remain suspicious.

The most immediate political challenge for the Iraqis is to choose the transitional government that will rule their country while they write their permanent constitution. The Shia cleric Grand Ayatollah Muhammad Ali al-Sistani has made this selection process the centerpiece of his effort to ensure that Iraqis will decide their own future and choose the first sovereign post-Saddam government.

- Sistani favors direct elections as the way to produce a legitimate, accountable government. His religious pronouncements show that, above all, he wants Iraq to be independent of foreign powers. Moreover, his praise of free elections and his theology reflect, in our reading, a clearcut opposition to theocracy, Iran-style.

Once the issues involving the selection of an transitional government are settled, Iraq's permanent constitution will begin to take shape. Here the Iraqi government and the framers of the constitution will have to address three urgent concerns: integrating the Sunni minority into the political mainstream, managing Kurdish autonomy in a Federal structure, and determining the role of Islam in the Iraqi state.

#### *The Sunni*

Sunnis are at least a fifth of the population, inhabit the country's strategic heartland, and comprise a sizable share of Iraq's professional and middle classes. The Sunni are disaffected as a deposed ruling minority, but some are beginning to recognize that boycotting the emerging political process will weaken their community. Their political isolation may be breaking down in parts of the Sunni triangle, where some Sunni Arabs have begun to engage the coalition and assume local leadership roles. In the past 3 months we have also seen the founding of national-level Sunni umbrella organizations to deal with the coalition and the IGC on questions like Sunni participation in choosing the transitional government.

#### *Federalism*

The status of the Transitional Administrative Law is in flux, but the way it deals with the relationship between the political center and Iraq's diverse ethnic and religious communities will frame the future constitutional debate. To make a Federal arrangement stick, Kurdish and Arab Iraq leaders will need to explain convincingly that a Federal structure benefits all Iraqis and not just the Kurds. Even so, a host of difficult issues—control over oil and security being perhaps the most significant—may provoke tension between Kurdish and central Iraqi authorities.

#### *Islam*

The Transitional Administrative Law makes Islam Iraq's official creed but protects religious freedom. It also creates an Iraqi legal system that is a mix of traditions, including Islamic law—but as only one legal element among many. This compromise is already under fire by Sunni Islamists who want Islam to be the sole source of law.

I don't want to allow the important security and political stories to crowd out others we should also be telling, including the often neglected one about Iraq's sizable economic potential. It's true that rebuilding will go on for years—the Saddam regime left in its wake a devastated, antiquated, underfunded infrastructure. But reconstruction progress and Iraq's own considerable assets—its natural resources and its educated populace—should enable the Iraqis to see important improvement in 2004 in their infrastructure and their quality of life.

- Over the next few years, they'll open more hospitals and build more roads than anyone born under Saddam has witnessed.

The recovery of Iraqi oil production will help. Production is on track to approach 3.0 million barrels per day by the end of this year. Iraq hasn't produced this much oil since before the 1991 Gulf War. By next year, revenues from oil exports should cover the cost of basic government operations and contribute several billion dollars toward reconstruction. It is essential, however, that the Iraq-Turkey pipeline and other oil facilities be well protected from insurgent sabotage.

Much more needs to be done. Key public services such as water, sewage, and transportation will have difficulty reaching prewar levels by July and won't meet the higher target of total Iraqi demand.

- Electric power capacity approaches prewar levels but still falls short of peak demand. Looting and sabotage may make supplies unreliable.
- Finally, unemployment and underemployment, which afflicts about a half of the workforce, will remain a key problem and a potential breeding ground for popular discontent.

#### *Proliferation*

Mr. Chairman, I'll turn now to worldwide trends in proliferation. This picture is changing before our eyes—changing at a rate I have not seen since the end of the Cold War. Some of it is good news—I'll talk about the Libya and AQ Khan breakthroughs, for example—and some of it is disturbing. Some of it shows our years of work paying off, and some of it shows the work ahead is harder.

We are watching countries of proliferation concern choose different paths as they calculate the risks versus gains of pursuing WMD.

- Libya is taking steps toward strategic disarmament.
- North Korea is trying to leverage its nuclear program into at least a bargaining chip and also international legitimacy and influence.
- Iran is exposing some programs while trying to preserve others.

I'll start with Libya. For years Qadhafi had been chafing under international pariah status. In March 2003, he made a strategic decision and reached out through British intelligence with an offer to abandon his pursuit of WMD.

That launched 9 months of delicate negotiations where we moved the Libyans from a stated willingness to renounce WMD to an explicit and public commitment to expose and dismantle their WMD programs. The leverage was intelligence. Our picture of Libya's WMD programs allowed CIA officers and their British colleagues to press the Libyans on the right questions, to expose inconsistencies, and to convince them that holding back was counterproductive. We repeatedly surprised them with the depth of our knowledge.

- For example, U.S. and British intelligence officers secretly traveled to Libya and asked to inspect Libya's ballistic missile programs. Libyan officials at first failed to declare key facilities, but our intelligence convinced them to disclose several dozen facilities, including their deployed Scud B sites and their secret North Korean-assisted Scud C production line.
- When we were tipped to the imminent shipment of centrifuge parts to Libya in October, we arranged to have the cargo seized, showing the Libyans that we had penetrated their most sensitive procurement network.

By the end of the December visit, the Libyans:

- Admitted having a nuclear weapons program and having bought uranium hexafluoride feed material for gas centrifuge enrichment.
- Admitted having nuclear weapon design documents.
- Acknowledged having made about 25 tons of sulfur mustard chemical weapons agent, aerial bombs for the mustard, and small amounts of nerve agent.

From the very outset of negotiations, Qadhafi requested the participation of international organizations to help certify Libyan compliance. Tripoli has agreed to inspections by the International Atomic Energy Agency (IAEA) and the Organization for the Prohibition of Chemical Weapons (OPCW) and to abide by the range limitations of the Missile Technology Control Regime (MTCR).

- We have briefed information on Tripoli's programs to various international monitoring organizations. IAEA and OPCW officials have already followed up with visits to Libya.
- Some discrepancies remain, but we will continue to collect additional information and closely monitor Libya's adherence to the commitments it has made.

In contrast to Libya, North Korea is trying to leverage its nuclear weapons programs into international legitimacy and bargaining power, announcing its withdrawal from the Nonproliferation Treaty (NPT) and openly proclaiming that it has a nuclear deterrent.

Since December 2002, Pyongyang has announced its withdrawal from the NPT and expelled IAEA inspectors. Last year Pyongyang claimed to have finished reprocessing the 8,000 fuel rods that had been sealed by U.S. and North Korean technicians and stored under IAEA monitoring since 1994.

- The Intelligence Community judged in the mid-1990s that North Korea had produced one, possibly two, nuclear weapons. The 8000 rods the North claims to have processed into plutonium metal would provide enough plutonium for several more.

We also believe Pyongyang is pursuing a production-scale uranium enrichment program based on technology provided by AQ Khan. This would give North Korea an alternative route to nuclear weapons. The North Koreans continue to deny they have an HEU program and say their offer of a nuclear freeze doesn't cover the civilian use of nuclear energy.

Of course, we are concerned about more than just North Korea's nuclear program. North Korea has longstanding chemical/biological weapons and biological warfare capabilities and is enhancing its biological weapons potential as it builds its legitimate biotechnology infrastructure. Pyongyang is sending individuals abroad and is seeking dual-use expertise and technology.

North Korea also continues to advance its missile programs. It is nearly self-sufficient in ballistic missiles, and has continued procurement of raw materials and components for its extensive ballistic missile programs from various foreign sources. The North also has demonstrated a willingness to sell complete systems and components that have enabled other states to acquire longer-range capabilities and a basis for domestic development efforts earlier than would otherwise have been possible.

- North Korea has maintained a unilateral long-range missile launch moratorium since 1999, but could end that with little or no warning. The Taepo Dong 2—capable of reaching the United States with a nuclear weapon-sized payload—may be ready for flight-testing.

Iran is taking yet a different path, acknowledging work on a covert nuclear fuel cycle while trying to preserve its WMD options. I'll start with the good news: Tehran acknowledged more than a decade of covert nuclear activity and agreed to open itself to an enhanced inspection regime. Iran for the first time acknowledged many of its nuclear fuel cycle development activities—including a large-scale gas centrifuge uranium enrichment effort. Iran claims its centrifuge program is designed to produce low-enriched uranium, to support Iran's civil nuclear power program. This is permitted under the NPT, but—and here's the downside—the same technology can be used to build a military program as well.

- The difference between producing low-enriched uranium and weapons-capable highly-enriched uranium is only a matter of time and intent, not technology. As a result, it would be a significant challenge for intelligence to confidently assess whether that red line had been crossed.

Finally, Iran's missile program is both a regional threat and a proliferation concern. Iran's ballistic missile inventory is among the largest in the Middle East and includes the 1300-km range Shahab-3 mid-range ballistic missile (MRBM) as well as a few hundred short-range ballistic missiles (SRBMs). Iran has announced production of the Shahab-3 and publicly acknowledged development of follow-on versions. During 2003, Iran continued research and development (R&D) on its longer-range ballistic missile programs, and publicly reiterated its intention to develop space launch vehicles (SLVs)—and SLVs contain most of the key building blocks for an Intercontinental Ballistic Missile (ICBM). Iran could begin flight testing these systems in the mid- to latter-part of the decade.

- Iran also appears willing to supply missile-related technology to countries of concern and publicly advertises its artillery rockets and related technologies, including guidance instruments and missile propellants.



Let me turn now to a different aspect of the evolving WMD threat. I want to focus on how countries and groups are increasingly trying to get the materials they need for WMD. I'll focus on two important stories:

- The roll-up of AQ Khan and his network, one of the most significant counter-proliferation successes in years and one in which intelligence led the way.
- The difficulty of uncovering both proliferators masquerading as legitimate businessmen and possible biological or chemical weapons plants appearing to be legitimate "dual-use" facilities.

As I pointed out last year, Mr. Chairman, WMD technologies are no longer the sole province of nation-states. They might also come about as a result of business decisions made by private entrepreneurs and firms.

As you now know, those comments were my way of referring to AQ Khan without mentioning his name in open session. Until recently, Khan, popularly known as the "father of the Pakistani bomb," was the most dangerous WMD entrepreneur. For 25 years Khan directed Pakistan's uranium enrichment program. He built an international network of suppliers to support uranium enrichment efforts in Pakistan that also supported similar efforts in other countries.

- Khan and his network had been unique in being able to offer one-stop shopping for enrichment technology and weapons design information. With such assistance, a potentially wide range of countries could leapfrog the slow, incremental stages of other nuclear weapons development programs.

The actions taken against Khan's network—like the example of Libya I laid out earlier—were largely the result of intelligence.

- Intelligence discovered, pieced together, tracked, and penetrated Khan's worldwide hidden network.

But every public success we enjoy can be used by people like Khan to adjust, adapt, and evade. Proliferators hiding among legitimate businesses, and countries hiding their WMD programs inside legitimate dual-use industries, combine to make private entrepreneurs dealing in lethal goods one of our most difficult intelligence challenges.

In support of these WMD programs, new procurement strategies continue to hamper our ability to assess and warn on covert WMD programs. Acquisitions for such programs aren't the work of secret criminal networks that skirt international law. They're done by businessmen, in the open, in what seems to be legal trade in high-technology.

The dual-use challenge is especially applicable to countries hiding biological and chemical warfare programs. With dual-use technology and civilian industrial infrastructure, countries can develop biological and chemical weapon capabilities. Biotechnology is especially dual-edged: Medical programs and technology could easily support a weapons program, because nearly every technology required for biological weapons also has a legitimate application.

Now I'll comment briefly on some significant missile programs apart from those I've already discussed.

China continues an aggressive missile modernization program that will improve its ability to conduct a wide range of military options against Taiwan supported by both cruise and ballistic missiles. Expected technical improvements will give Beijing a more accurate and lethal missile force. China is also moving on with its first generation of mobile strategic missiles.

- Although Beijing has taken steps to improve ballistic missile related export controls, Chinese firms continue to be a leading source of relevant technology and continue to work with other countries on ballistic missile-related projects.

South Asian ballistic missile development continues apace. Both India and Pakistan are pressing ahead with development and testing of longer-range ballistic missiles and are inducting additional SRBMs into missile units. Both countries are testing missiles that will enable them to deliver nuclear warheads to greater distances.

Last year Syria continued to seek help from abroad to establish a solid-propellant rocket motor development and production capability. Syria's liquid-propellant ballistic missile program continued to depend on essential foreign equipment and assistance, primarily from North Korean entities. Syria is developing longer-range missile programs, such as a Scud D and possibly other variants, with assistance from North Korea and Iran.

Many countries remain interested in developing or acquiring land-attack cruise missiles, which are almost always significantly more accurate than ballistic missiles

and complicate missile defense systems. Unmanned aerial vehicles (UAVs) are also of growing concern.

To conclude my comments on proliferation, I'll turn briefly to Syria's WMD programs and to the continued vulnerability of Russian WMD materials.

Syria is an NPT signatory with full-scope IAEA safeguards and has a nuclear research center at Dayr Al Hajar. Russia and Syria have continued their long-standing agreements on cooperation regarding nuclear energy, although specific assistance has not yet materialized. Broader access to foreign expertise provides opportunities to expand its indigenous capabilities and we are closely monitoring Syrian nuclear intentions. Meanwhile, Damascus has an active chemical weapons development and testing program that relies on foreign suppliers for key controlled chemicals suitable for producing chemical weapons.

Finally, Russian WMD materials and technology remain vulnerable to theft or diversion. We are also concerned by the continued eagerness of Russia's cash-strapped defense, biotechnology, chemical, aerospace, and nuclear industries to raise funds via exports and transfers—which makes Russian expertise an attractive target for countries and groups seeking WMD and missile-related assistance.

#### *Pivotal States*

I'm going to comment now on three countries we obviously pay a great deal of attention to: North Korea, China, and Russia.

The North Korean regime continues to threaten a range of U.S., regional, and global security interests. As I've noted earlier, Pyongyang is pursuing its nuclear weapons program and nuclear-capable delivery systems. It continues to build its missile forces, which can now reach all of South Korea and Japan, and to develop longer-range missiles that could threaten the United States.

The North also exports complete ballistic missiles and production capabilities, along with related components and expertise. It continues to export narcotics and other contraband across the globe.

Moreover, the forward-deployed posture of North Korea's armed forces remains a near-term threat to South Korea and to the 37,000 U.S. troops stationed there. Recall that early last year as tensions over the nuclear program were building, Pyongyang intercepted a U.S. reconnaissance aircraft in international airspace.

Kim Jong Il continues to exert a tight grip on North Korea as supreme leader. The regime's militarized, Soviet-style command economy is failing to meet the population's food and economic needs. Indeed, the economy has faltered to the point that Kim has permitted some new economic initiatives, including more latitude for farmers' markets, but these changes are a far cry from the systemic economic reform needed to revitalize the economy. The accumulated effect of years of deprivation and repression places significant stresses on North Korean society.

- The Kim regime rules largely through fear, intimidation, and indoctrination, using the country's large and pervasive security apparatus, its system of camps for political prisoners, and its unrelenting propaganda to maintain control.

Mr. Chairman, China continues to emerge as a great power and expand its profile in regional and international politics—but Beijing has cooperated with Washington on some key strategic issues.

- The Chinese have cooperated in the war on terrorism and have been willing to host and facilitate multilateral dialogue on the North Korean nuclear problem—in contrast to Beijing's more detached approach to that problem a decade ago.

Beijing is making progress in asserting its influence in East Asia. Its activist diplomacy in the neighborhood is paying off, fueled in large part by China's robust economy. China's growth continues to outpace all others in the region, and its imports of goods from other East Asian countries are soaring. As a result, Beijing is better positioned to sell its neighbors on the idea that what is good for the Chinese economy is good for Asia.

- That said, China's neighbors still harbor suspicions about Beijing's long-term intentions. They generally favor a sustained U.S. military presence in the region as insurance against potential Chinese aggression.

Our greatest concern remains China's military buildup, which continues to accelerate. On Saturday, China's Minister of Finance announced a new defense budget that is 11.6 percent larger than last year's. China's announced annual defense budget has grown from some \$7 billion 10 years ago to over \$25 billion today. Moreover, we assess the announced figure accounts for less than half of China's actual defense spending.

Last year, Beijing reached new benchmarks in its production or acquisition from Russia of missiles, submarines, other naval combatants, and advanced fighter aircraft. China also is downsizing and restructuring its military forces with an eye toward enhancing its capabilities for the modern battlefield. All of these steps will over time make China a formidable challenger if Beijing perceived that its interests were being thwarted in the region.

- We are closely monitoring the situation across the Taiwan Strait in the period surrounding Taiwan's presidential election next month.

Chinese leadership politics—especially the incomplete leadership transition—will influence how Beijing deals with the Taiwan issue this year and beyond. President and Communist Party leader Hu Jintao still shares power with his predecessor in those positions, Jiang Zemin, who retains the powerful chairmanship of the Party's Central Military Commission.

In Russia, the trend I highlighted last year—President Putin's re-centralization of power in the Kremlin—has become more pronounced, especially over the past several months. We see this in the recent Duma elections and the lopsided United Russia party victory engineered by the Kremlin and in the Kremlin's domination of the Russian media.

- Putin's reelection next week, nearly unopposed, and the selection of a new government under technocratic Prime Minister Fradkov will mark the culmination of this process.

Putin has nevertheless recorded some notable achievements. His economic record—even discounting the continuing strength of high world oil prices—is impressive, both in terms of gross domestic product (GDP) growth and progress on market reforms. He has brought a sense of stability to the Russian political scene after years of chaos, and he restored Russians' pride in their country's place in the world.

That said, Putin now dominates the Duma, and the strong showing of nationalist parties plus the shutout of liberal parties may bolster trends toward limits on civil society, state interference in big business, and greater assertiveness in the former Soviet Union. The Kremlin's recent efforts to strengthen the state's role in the oil sector could discourage investors and hamper energy cooperation with the west.

He shows no signs of softening his tough stance on Russia's war in Chechnya. Russian counterinsurgency operations have had some success. Putin's prime innovation is the process of turning more authority over to the Chechens under the new government of Akhmad Kadyrov, and empowering his security forces to lead the counter-insurgency.

- Although this strategy may succeed in lowering Russia's profile in Chechnya, it is unlikely to lead to resolution.

Moscow has already become more assertive in its approach to the neighboring states of the former Soviet Union, such as Georgia, Ukraine, and Moldova. Russian companies—primarily for commercial motives, but in line with the Kremlin's agenda—are increasing their stakes in neighboring countries, particularly in the energy sector.

The Kremlin's increasing assertiveness is partly grounded in its improving military capabilities. Although still a fraction of their former capabilities, Russian military forces are beginning to rebound from the 1990s nadir. Training rates are up—including some high-profile exercises—along with defense spending.

Even so, we see Moscow's aims as limited. Russia is using primarily economic incentives and levers of “soft” power, like shared history and culture, to rebuild lost power and influence. Putin has a stake in relative stability on Russia's borders—not least to maintain positive relations with the U.S. and Europeans.

Russian relations with the United States continue to contain elements of both cooperation and competition. On balance, they remain more cooperative than not, but the coming year will present serious challenges. For example, Russia remains supportive of U.S. deployments in Central Asia for Afghanistan—but is also wary of U.S. presence in what Russia considers to be its own back yard.

Let me turn briefly to Afghanistan, where the Afghan people are on their way to having their first legitimate, democratically elected government in more than a generation.

The ratification of a new constitution at the Constitutional Loya Jirga in January is a significant milestone. It provides the legal framework and legitimacy for several initiatives, including elections, scheduled for later this year.

- Within the next 12 months, the country could have, for the first time, a freely elected president and National Assembly that are broadly representative, multi-ethnic, and able to begin providing security and services.

Even if the date of elections slips—the Bonn Agreement requires a June date—the central government is extending its writ and legitimate political processes are developing nationwide through other means. Regional “warlords” are disruptive but disunited—and appear to realize the Bonn process and elections are the only way to avoid relapsing into civil war.

- Defense Minister Fahim Khan is cooperating with President Karzai and seems able to keep his large body of Panjshiri supporters in line in favor of Bonn and stability.

Meanwhile, the infusion of \$2 billion in international aid has propelled Afghan economic performance. The International Monetary Fund (IMF) estimates GDP grew—from an admittedly low base—by 29 percent last year. The completion of the Kabul to Kandahar road in December was a success, but the international community will need to ensure that funds are channeled toward projects that make the most impact and are balanced among the regions and ethnic groups.

- Building a national army is another long-term international challenge. So far, almost 6,000 Afghan soldiers have been trained by U.S., British, and French trainers. It will take years to reach the goal of a 70,000-strong ethnically-balanced force but with continued coalition and international community support and assistance over the next 2 years, Afghanistan need not become either a “security welfare state,” or, again, a breeding ground for terrorists and extremism.

Last year’s most worrisome events were the continued attacks by the Afghan Transitional Authority’s enemies—particularly the Taliban, along with al Qaeda and followers of Afghan extremist Hikmatyar who want to disrupt routine life and the reconstruction effort in the south and east. This is still a problem, because none of these groups has abandoned the ultimate goal of derailing the process by which legitimate democratic government and the rule of law will be established in Afghanistan.

I don’t want to overstate the Taliban’s strength. It is far from having sufficient political and military might to challenge the Karzai Government. But it is still able to interfere with the reconstruction of the country by fomenting insecurity and thereby undermining public confidence in Kabul.

- Like other extremists bent on restoring the terrorist-sponsored state that existed before the liberation of Afghanistan, Taliban remnants remain intent on using any available means to undermine President Karzai and his government, to drive international aid organizations and their workers from the areas that most need them, and to attack U.S. and coalition forces.
- For this reason the security situation in the south and east is still tenuous, and Kabul will need considerable assistance over at least the next year or two to stabilize the security environment there.

In Iran, Mr. Chairman, the victory of hardliners in elections last month dealt government-led reform a serious blow. Greater repression is a likely result.

- With the waning of top-down reform efforts, reformers will probably turn to the grass roots—working with NGOs and labor groups—to rebuild popular support and keep the flame alive.
- The strengthening of authoritarian rule will make breaking out of old foreign policy patterns more difficult at a time when Tehran faces a new geopolitical landscape in the Middle East.

The concerns I voiced last year are unabated. The recent defeats will have further alienated a youthful population anxious for change. Abroad, Tehran faces an altered regional landscape in the destruction of radical anti-Western regimes in Afghanistan and Iraq and growing international concern about nuclear proliferation.

- As has so often happened in Iran’s history, Iran’s leaders appear likely to respond to these challenges in rigid and unimaginative ways.

The current setback is the latest in a series of contests in which authoritarian rule has prevailed over reformist challengers. The reformists—President Khatami in particular—are in no small part to blame. Their refusal to back bold promises with equally bold actions exhausted their initially enthusiastic popular support.

When the new Majles convenes in June, the Iranian government will be even more firmly controlled by the forces of authoritarianism. In the recent election, clerical authorities disqualified more than 2,500 candidates, mostly reformists, and returned control of the legislature to hardliners. The new Majles will focus on economic reform, with little or no attention to political liberalization.

- With the Majles securely behind the hardliners, we expect to see many of the outlets for political dissent shut down by the clerical regime.

- The prospect of internal violence remains. Hardliners may now resort to new heavy-handedness that produces public outrage and protest. At least eight people were killed and 30 injured in elected-related violence last month.

Although greater repression is likely to be the most immediate consequence, this will only further deepen the discontent with clerical rule, which is now discredited and publicly criticized as never before. In the past year several unprecedented open letters, including one signed by nearly half the parliament, were published calling for an end to the clergy's absolute rule.

- Iran's recent history is studded with incidents of serious civil unrest that erupted in response to the arrogance of local officials—events like the 1999 student riots that broke out when security forces attacked a dormitory.
- Even so, the Iranian public does not appear eager to take a challenge to the streets—in Tehran, apathy is the prevailing mood, and regime intimidation has cowed the populace. This mix keeps the regime secure for now.

The uncertainty surrounding Iran's internal politics comes as Tehran adjusts to the regional changes of a post-Saddam Iraq. Because Khamenei and his allies have kept close rein on foreign policy, we do not expect the defeat of the reformists to lead to a sudden change in Iranian policy. Tehran will continue to use multiple avenues—including media influence, humanitarian and reconstruction aid, diplomatic maneuvering, and clandestine activity—to advance its interests and counter U.S. influence in Iraq.

- We judge that Iran wants an Iraqi government that does not threaten Tehran, is not a U.S. puppet, can maintain the country's territorial integrity, and has a strong Shia representation.
- These interests have led Tehran to recognize the IGC and work with other nascent Iraqi political, economic, and security institutions.

In Indonesia, the world's most populous Muslim country, authorities have arrested more than 100 Jemaah Islamiya (JI) suspects linked to the terrorist attacks in Bali in October 2002 and the Jakarta Marriott Hotel last year. However, coming presidential and legislative elections appear to have blunted the government's efforts to root out JI.

Megawati remains the presidential frontrunner, but continuing criticism of her leadership and the growing prospect that her party will lose seats in the legislative election increase the likelihood of a wide-open race. The secular-nationalist Golkar—the former ruling party of Soeharto, now riding a wave of public nostalgia for his bygone era—could overtake Megawati's party to win the plurality of legislature seats. Most local polls suggest that the Islamic parties are unlikely to improve their percentage of the vote.

Vocal religious extremists, however, are challenging Indonesia's dominant moderate Muslim groups. A growing number of Indonesian Muslims now advocate the adoption of Islamic law, and dozens of provincial and district governments around the archipelago are taking advantage of the devolution of authority since 1998 to begin enforcing elements of Islamic civil law and customs.

Let me turn briefly to South Asia. When I commented on the situation there last year, I warned that, despite a lessening of tensions between India and Pakistan, we remained concerned a dramatic provocation might spark another crisis.

This year I'm pleased to note that the normalization of relations between India and Pakistan has made steady progress. Building on Prime Minister Vajpayee's April 2003 "hand of friendship" initiative, the leaders in New Delhi and Islamabad have begun to lay a promising foundation for resolving their differences through peaceful dialogue.

- Both countries have since made further progress in restoring diplomatic, economic, transportation, and communications links and—most importantly—both sides have agreed to proceed with a "composite" dialogue on a range of bilateral issues that include Kashmir.

Further progress will hinge largely on the extent to which each side judges the other is sincere about improving India-Pakistan relations. For example, India is watching carefully to see whether the level of militant infiltration across the line of control (LOC) increases this spring after the snows melt in the mountain passes.

In this hemisphere, of course, the situation in Haiti is very fluid. The process of setting up an interim government and moving toward new elections has just begun. Selection of a consensus prime minister this week would be an important next step. What concerns me is the possibility that the interim government, backed by international forces, will have trouble establishing order. A humanitarian disaster or mass migration remains possible. Anti Aristide rebels still exert de facto control

over many parts of the country and have yet to make good on promises to lay down their arms. Those forces include armed gangs, former Haitian Army officers, and members of irregular forces who allegedly killed Aristide supporters during his exile.

- A cycle of clashes and revenge killings could easily be set off, given the large number of angry, well-armed people on both sides. Improving security will require the difficult task of disarming armed groups and augmenting and retraining a national security force.
- The interim government's nascent consensus could also run aground if hardline Lavalas (pro-Aristide) or Democratic Platform (anti-Aristide) elements break ranks and seek to exert control.

In Colombia, President Uribe is making great strides militarily and economically. His military is making steady progress against illegal armed groups, particularly around Bogotá; last year the Army decimated several FARC military units. In the last 2 months, Colombian officials have apprehended the two most senior FARC leaders ever captured.

- Foreign and domestic investors are taking note: last year, the growth rate of 3.5 percent was the highest in 5 years.

But some of Uribe's hardest work awaits him. The military has successfully cleared much of the insurgent-held territory, but the next stage of Uribe's "clear-and-hold" strategy is securing the gains thus far. That entails building the state presence—schools, police stations, medical clinics, roads, bridges, and social infrastructure—where it has scarcely existed before.

Finally, we should bear in mind that Uribe's opponents will adjust their strategies, as well. The FARC may increasingly seek to target U.S. persons and interests in Colombia, particularly if key leaders are killed, captured, or extradited to the United States. The FARC still holds the three U.S. hostages it captured last year (February) and may seek to capture additional U.S. citizens.

- Drug gangs are also adapting, relocating coca cultivation and production areas and attacking aerial eradication missions. All of this translates into more money and more resources for traffickers, insurgents, and paramilitary forces.

In Sub-Saharan Africa, progress in continuing peace processes requires further careful western cultivation and African regional cooperation.

- In Liberia, U.N. peacekeepers and the transitional government face a daunting challenge to rein in armed factions, including remnants of Charles Taylor's militias.
- Sudan's chances for lasting peace are its best in decades, with more advances possible in the short term, given outside guarantees and incentives.
- A fragile peace process in Burundi and struggling transitional government in Congo (Kinshasa) have the potential to end conflicts that so far have claimed a combined total of over 3 million lives.
- Tension between Ethiopia and Eritrea over their disputed border is jeopardizing the peace accord brokered by U.S. officials in 2000.

#### *The Other Transnational Issues*

Let me conclude my comments this morning by briefly considering some important transnational concerns that touch on the war against terrorism.

We're used to thinking of that fight as a sustained worldwide effort to get the perpetrators and would-be perpetrator off the street. This is an important preoccupation, and we will never lose sight of it.

But places that combine desperate social and economic circumstances with a failure of government to police its own territory can often provide nurturing environments for terrorist groups, and for insurgents and criminals. The failure of governments to control their own territory creates potential power vacuums that open opportunities for those who hate.

- We count approximately 50 countries that have such "stateless zones." In half of these, terrorist groups are thriving. Al Qaeda and extremists like the Taliban, operating in the Afghanistan-Pakistan border area, are well-known examples.

As the war on terrorism progresses, terrorists will be driven from their safe havens to seek new hideouts where they can undertake training, planning, and staging without interference from government authorities. The prime candidates for new "no man's lands" are remote, rugged regions where central governments have no consistent reach and where socioeconomic problems are rife.

Many factors play into the struggle to eradicate stateless zones and dry up the wellsprings of disaffection.

- Population trends. More than half of the Middle East's population is under the age of 22. "Youth bulges," or excessive numbers of unemployed young people, are historical markers for increased risk of political violence and recruitment into radical causes. The disproportionate rise of young age cohorts will be particularly pronounced in Iraq, followed by Syria, Kuwait, Iran, and Saudi Arabia.
- Infectious disease. The HIV/AIDS pandemic remains a global humanitarian crisis that also endangers social and political stability. Although Africa currently has the greatest number of HIV/AIDS cases—more than 29 million infected—the disease is spreading rapidly. Last year, I warned about rising infection rates in Russia, China, India, and the Caribbean. But the virus is also gaining a foothold in the Middle East and North Africa, where governments may be lulled into overconfidence by the protective effects of social and cultural conservatism.
- Humanitarian need. Need will again outpace international pledges for assistance. Sub-Saharan Africa and such conflict-ravaged places like Chechnya, Tajikistan, and the Palestinian Occupied Territories will compete for aid against assistance to Iraq and Afghanistan. Only 40 percent of U.N. funding requirements for 2003 had been met for the five most needy countries in Africa.
- Food insecurity. More than 840 million people are undernourished worldwide, a number that had fallen in the first half of the 1990s but is now on the increase. The U.S. Department of Agriculture estimates the food aid needed to meet annual recommended minimum nutrition levels at almost 18 million metric tons, far above the recent average of 11 million tons donated per annum.

I'll take this opportunity to remind you, Mr. Chairman, of the continued threat the global narcotics industry poses to the United States.

- As evident by the doubling of the Afghan opium crop in 2003, the narcotics industry is capable of moving quickly to take advantage of opportunities presented by the absence of effective government authority.
- Although the linkages between the drug trade and terrorism are generally limited on a global basis, trafficking organizations in Afghanistan and Colombia pose significant threats to stability in these countries and constitute an important source of funding for terrorist activity by local groups.
- This combination of flexibility and ability to undermine effective governmental institutions means that dealing with the narcotics challenge requires a truly global response.

That, Mr. Chairman, concludes my formal remarks. I welcome any questions or comments you and the members may have for me.

Chairman WARNER. Without objection, we will put the entire statement into the record.

Admiral Jacoby.

#### **STATEMENT OF VADM LOWELL E. JACOBY, USN, DIRECTOR, DEFENSE INTELLIGENCE AGENCY**

Admiral JACOBY. Thank you, Mr. Chairman and members of this committee. I appreciate this committee's strong and sustained support for Defense Intelligence and its men and women deployed around the world. My statement for the record addresses a number of challenges and threats that you asked me to focus on in the letter of invitation. I would like to take just a few minutes to highlight some of the pressing future threats and developments over the last year.

Last year I testified that Defense Intelligence was at war on a global scale. That war has intensified. DIA professionals, active duty military, Reserves, and civilians are providing the knowledge

and skills essential to defeating enemies in Iraq, Afghanistan, and the global war on terrorism.

In Iraq the security situation varies by region. The north and the south remain comparatively quiet. Attacks in central Iraq account for approximately 80 percent of the incidents, in Sunni-dominated areas, particularly west of Baghdad, around Mosul, and along the Baghdad-Tikrit corridor, which are the homes for many of the former military and security members. I believe that the former regime elements, led by Baath Party remnants, are responsible for the majority of the anti-coalition attacks.

That said, it appears that much of the Sunni population remains focused on concerns relating to security, employment, and the availability of goods and services. Those issue areas become extremely important in that security situation that Director Tenet is talking about.

Foreign fighters, to include members of the al Qaeda-associated movement, are a continuing threat. They are motivated by Arab nationalism, extremist religious ideology, and opposition to U.S. policies and beliefs. They have perpetrated some of the most significant attacks. For instance, we believe al Qaeda and associated Sunni extremists were responsible for the March 2 Karbala and Baghdad attacks. The method of operation—simultaneous suicide bombings against multiple targets—is an al Qaeda trademark.

The mid-January arrest of an al Qaeda-associated operative in Iraq yielded a letter he was couriering from al-Zarqawi to senior al Qaeda members. That letter clearly stated Zarqawi's intention to conduct attacks against Shia targets in Iraq in order to foment sectarian violence. He indicated that the next 4 months were the time to strike, prior to the planned transition of power to the Iraqi authority. If left unchecked, Iraq has the potential to serve as a training ground for the next generation of terrorists.

Turning to Afghanistan, last spring, attacks by opposition groups reached their highest level since the collapse of the Taliban government in December 2001. Although activity has subsided somewhat, attacks continue. The Taliban insurgency that continues to target humanitarian assistance and reconstruction organizations is a serious threat. At least 11 of these attacks have occurred this year and some of the organizations have suspended operations. They play a key role in bringing progress to this troubled nation.

Additionally, President Karzai remains critical to stability in Afghanistan. As a Pashtun, he is the only individual capable of maintaining the trust of that ethnic group while maintaining the support of other minorities.

Notable progress has been achieved in the global war on terrorism. We have shrunk operating environments for al Qaeda and other terrorist groups, captured al Qaeda senior coordinators, and also disrupted operations. Nevertheless, al Qaeda remains the greatest terrorist threat to our homeland and our overseas presence. Al Qaeda continues to demonstrate that it is adaptable and capable. Mid-level operatives are filling leadership voids. Many have demonstrated a capacity and capability to carry out complex operations. Rather than the hierarchical centralized organization that al Qaeda was in 2002, it has become a more broadly based Sunni extremist network.



While al Qaeda planning has become more decentralized, it has shifted to softer targets. They continue attacks and most recently those attacks in Istanbul showed this soft target orientation. Al Qaeda continues to enjoy considerable support in the Islamic world.

Al Qaeda and other terrorist groups may be interested in acquiring CBRN materials, and I would highlight that hijackings and attacks by manportable missiles against civilian aircraft remain a significant concern.

A number of factors virtually assure a terrorist threat for years to come. Despite recently reforms, terrorist organizations thrive in societies with poor or failing economies, ineffective governments, and inadequate educational systems. Demographic or youth bubbles further burden governments and economies.

Let me explain what I mean by "youth bubble." For instance, if we look at the percentage of population under 15 years of age, 43 percent of Saudi Arabians, 41 percent of Iraqis, 39 percent of Pakistanis, 34 percent of Egyptians, 33 percent of Algerians, and 29 percent of Iranians fall into this under-15 age group.

I am also concerned over ungoverned space. These are areas where governments do not or cannot exercise effective control. Such spaces offer terrorist organizations sanctuary.

I remain concerned about the Islamic world. Many of our partners successfully weathered domestic stresses during Operation Iraqi Freedom (OIF). However, challenges to their stability and their continued support for the war on terrorism remain. Islamic and Arab populations are increasingly opposed to U.S. policies. The loss of a key leader could quickly change government support for U.S. and coalition operations. For instance, President Musharraf was recently the target of two sophisticated assassination attempts. His support for the global war on terrorism, Afghan policy, restrictions on Kashmiri militants, and attempts to improve relations with India are all important initiatives that have increased his vulnerability.

Mr. Chairman, I believe I will stop at that point. Also, I would just comment on two questions that I regularly receive. One is with respect to the security situation in the Taiwan Straits as Taiwan approaches their March 20 election, presidential election. There are no movements by Chinese military forces nor preparations for exercises to attempt to influence events on Taiwan.

Just to conclude with questions about Haiti, the security situation is slowly improving, as is the humanitarian situation. At this point, sir, we see no preparations for large-scale migrations out of Haiti.

Those are my comments.

[The prepared statement of Admiral Jacoby follows:]

PREPARED STATEMENT BY VADM LOWELL E. JACOBY, USN

#### INTRODUCTION

Last year I testified that Defense Intelligence was at war on a global scale. That war has intensified. Defense Intelligence is providing intelligence essential to defeat our Nation's enemies in the global war on terrorism, Iraq and Afghanistan. In addition, we are intent on identifying emerging challenges to our homeland, allies, and interests. Providing the highest quality defense-related intelligence to our warfighters, defense planners and national security policymakers is essential for the successful accomplishment of their tasks.

The events of the last several years and our successes are transforming the strategic environment. Defense Intelligence must identify those new opportunities and challenges to support our Nation's security strategy. In addition to these daunting tasks, we are called upon to "know something about everything all the time." The potential for surprise is an enduring reality, especially when we are simultaneously engaged on several fronts. We must mitigate the impact of surprise by devoting resources to broad situational awareness and quickly generate needed intelligence on any security issue as disturbing trends or opportunities are identified.

#### ENABLE SWIFT DEFEAT OF THE ENEMY

##### *Global Terrorism*

During the last year, notable progress has been achieved in the global war on terrorism. We have shrunk the favorable operating environments for al Qaeda and other terrorist groups and captured several al Qaeda senior operational coordinators and a significant number of terrorists. We have disrupted several terrorist operations. Nevertheless, al Qaeda remains the greatest terrorist threat to our homeland. Al Qaeda expressed its intent to stage another wave of attacks in the U.S. aircraft hijackings remain a concern.

Despite 25 months of sustained pressure, al Qaeda continues to demonstrate it is an adaptable and capable threat. Their network has directed numerous attacks since September 11, most recently in Istanbul and Riyadh. Al Qaeda continues to enjoy considerable support and is able to recruit terrorists. Capable but less experienced individuals are replacing those captured.

Al Qaeda's planning has become more decentralized and has shifted to softer targets. The network increasingly generates attacks in alliance with like-minded groups like Jemaah Islamiyah (JI) in Southeast Asia. The arrest of senior al Qaeda and JI leader Hambali last summer eliminated a significant link between the two groups. However, the al Qaeda/JI nexus will endure because the two groups have a shared ideology and experience during the period of Soviet involvement in Afghanistan. While al Qaeda does not control the daily operations of JI or affiliated groups, congruence of broad goals promise continued attacks against U.S. interests and our partners in the global war on terrorism.

Al Qaeda and other terrorist groups remain interested in acquiring chemical, biological, radiological, and nuclear (CBRN) weapons. We remain concerned about rogue scientists and the potential that state actors are providing, or will provide, technological assistance to terrorist organizations.

Terrorist use of man-portable air defense system (MANPAD) missiles against civilian and military aircraft was underscored following the attack last fall against a commercial cargo aircraft in Baghdad and the failed attack in Mombassa in 2002. A MANPAD attack against civilian aircraft would produce large number of casualties, international publicity and a significant economic impact on civil aviation. These systems are highly portable, easy to conceal, inexpensive, available in the global weapons market and instruction manuals are on the Internet. Commercial aircraft are not equipped with countermeasures and commercial pilots are not trained in evasive measures. An attack could occur with little or no warning. Terrorists may attempt to capitalize on these vulnerabilities.

Iraq is the latest jihad for Sunni extremists. Iraq has the potential to serve as a training ground for the next generation of terrorists where novice recruits develop their skills, junior operatives hone their organizational and planning capabilities, and relations mature between individuals and groups as was the case during the Soviet occupation of Afghanistan and extremist operations in the Balkans.

Although not presently linked to attacks on the global war on terrorism coalition, Lebanese Hizballah remains capable of terrorist operations on a global scale. Hizballah has extensive and well-honed capabilities and may have contingency plans in place for attacks in Iraq. The group's global presence makes it a potential threat to our interests worldwide.

The Revolutionary Armed Forces of Colombia (FARC) remains the most potent terrorist threat to U.S. interests in Colombia. During the past year, the FARC conducted multiple attacks in Colombia and since early 2003 has held three U.S. citizens hostage. Its attack against a Bogota bar, last fall, injured 3 Americans and 70 Colombians, killing 1. The continued emphasis on urban terrorism, especially in Bogota, increases the risk to U.S. citizens. At the same time, the FARC's perception that U.S. support is the direct cause of the Colombian government's recent successes, increases the likelihood the group will target U.S. interests in 2004.

We are also increasingly concerned over "ungoverned spaces," defined as geographic areas where governments do not exercise effective control. Terrorist groups and narcotraffickers use these areas as sanctuaries to train, plan and organize, rel-

actively free from interference. There are numerous “ungoverned spaces” around the world such as the western provinces in Pakistan, portions of the southern Philippines, Indonesian islands, Chechnya, rural areas in Burma, several areas in Africa, and areas in South America. Ungoverned spaces include densely populated cities where terrorists can congregate and prepare for operations with relative impunity. I believe these areas will play an increasingly important role in the global war on terrorism as al Qaeda, its associated groups and other terrorist organizations use these areas as bases for operations.

A number of factors combine to present a terrorist threat to the United States for years to come. Despite recent reforms, Arab populations on the whole live in societies that lack political and economic freedoms, effective government and good educational systems. Literacy and education levels were lower than in many other developing regions. Especially in madrasas, teaching methods and religious curriculum emphasizing rote learning produce students without skills needed to compete for jobs and anti-Western in beliefs. At the national level, their poorly educated workforces limit ability to compete in the global economy. Not surprisingly, many Arab states suffer high unemployment. “Demographic bubbles” which burden government services and economies promise continued problems. These factors in combination will feed Arab public sentiment which is increasingly opposed to U.S. policies. Radical Islam has the potential to be a force in many areas of the world for decades to come.

#### *Iraq*

The security situation in Iraq varies by region. The north, where Kurds maintained control after the fall of the regime and have a largely intact infrastructure is quiet. The south also remains comparatively quiet. Moderate Shia clerics and the Shia population support coalition efforts and oppose former regime elements (FREs). However, the situation could become volatile. Shia backing for the coalition is based largely on expectations that a political structure based on an elected representative government serves their interests.

Insurgent attacks in central Iraq account for the vast majority of all incidents. Anti-coalition activity centers in Sunni-dominated areas, especially west of Baghdad, around Mosul and along the Baghdad-Tikrit corridor—areas home to former regime military and security members. Saddam’s capture likely reduced the morale and effectiveness of some resistance members. However, many FREs and party loyalists are motivated by Arab and Iraqi nationalism and self-interest and will continue the resistance, opposing the foreign presence and emerging new order. That said, it appears much of the Sunni population has not decided whether to back the coalition or support the opposition. The key factor is whether stability can be established and whether viable alternatives to the Baathists or Islamists emerge.

We believe FREs led by remnants of the Baath Party are responsible for the majority of anti-coalition attacks. Their strategy appears to be multi-faceted: attempting to undermine the coalition, creating insecurity, attacking cooperating Iraqis and assassinating leading figures, and driving out international organizations. The FREs have adjusted to coalition tactics, and now employ more “stand-off” weapons, such as improvised explosive devices (IEDs), rocket-propelled grenades (RPGs), and mortars.

The number of anti-coalition attacks has declined over the past months from a high in November during Ramadan. Additionally, the coalition has captured or killed 46 of the 55 most-wanted former regime members. Efforts to capture the remaining senior former regime figures, in particular, Izzat Ibrahim al-Duri, are supported almost daily by new intelligence.

Foreign fighters, while fewer in numbers than the FREs, are a threat. Fighters from numerous countries are reported to have entered Iraq. They are motivated by Arab nationalism, extremist religious ideology and/or resentment of U.S. policies and beliefs. Most are assessed to be linked to groups that hope to gain notoriety and increased support by conducting attacks in Iraq.

In addition to our other efforts in Iraq, supporting the search for Captain Michael Scott Speicher remains a high priority. We continue focused efforts to determine his status. These efforts will continue until we have a full accounting.

#### *Afghanistan*

Attacks by Taliban and Hezb-e Islami Gulbuddin (HIG) since early spring of last year, reached their highest levels since the collapse of the Taliban government. The majority of the attacks are ineffective rocket or bomb attacks. However, recent attacks show increasing accuracy and sophistication. Violence against humanitarian assistance and reconstruction personnel has led some organizations to suspend operations. Continued reductions of United Nations (U.N.) activity may negatively im-

pact the Bonn Process. Upcoming political events such as the June 2004 presidential elections may prompt increases in violence.

Afghanistan's new constitution was approved in early January. This paves the way for a presidential election this summer and legislative elections later this year. The show of support among Loya Jirga delegates for President Hamid Karzai bodes well for his political strength and chances in the presidential election.

Karzai's ability to use his growing political strength to encourage compliance with his reform agenda may provide long term stability, but could result in near term tensions. President Hamid Karzai remains critical to stability in Afghanistan. As a Pashtun, he remains the only individual capable of maintaining the trust of Afghanistan's largest ethnic group (Pashtuns) and support of other ethnic minorities. A Taliban insurgency that continues to target humanitarian assistance and reconstruction efforts is a serious threat, potentially eroding commitments to stability and progress in Afghanistan.

Pakistani assistance remains a key to a successful outcome. Cultural, religious, and political considerations have limited the central government's commitment to disrupting Taliban operations, support and sanctuaries. However, Pakistan has been more active against al Qaeda infrastructure. Pakistani military operations have contributed to the disruption of al Qaeda sanctuaries, particularly in South Waziristan.

#### RELIABLE STRATEGIC WARNING ACROSS THE FULL SPECTRUM OF POTENTIAL THREATS

##### *Weapons of Mass Destruction and Missile Proliferation*

The trend with respect to weapons of mass destruction (WMD) and missiles remains troublesome. There is continuing terrorist interest in acquiring and using WMD, especially biological, chemical, and radiological weapons. North Korea's reactivation of the Yongbyon nuclear facility and Iran's admission to the International Atomic Energy Agency (IAEA) about years of covert nuclear activity reinforce concerns. The recent Libyan disclosure and pledge to divest itself of WMD and long range missiles programs and admit international inspectors is a positive sign. Other states continue to develop biological and chemical weapon capabilities. Numerous states continue to improve their ballistic and cruise missiles, focusing on longer range, better accuracy, deployment of new units and use of underground facilities. Proliferation of WMD- and missile-related technologies continues and new supply networks challenge U.S. counterproliferation efforts.

##### *Nuclear Weapons*

Russia's nuclear weapons stockpile continues to decline. DIA believes the number of weapons in China, India, Pakistan, and North Korea will grow. We are also concerned about Syrian interest in nuclear technologies that could support a weapons program.

We believe North Korea has nuclear warheads from plutonium produced prior to the 1994 Agreed Framework. After expelling IAEA personnel in late 2002, North Korea reactivated facilities at Yongbyon and claims it reprocessed the 8,000 spent fuel rods from the Yongbyon reactor, adding plutonium for additional weapons. Pyongyang is expected to increase its weapons inventory by the end of the decade through plutonium production and a possible unlocated uranium enrichment capability. North Korea's current proliferation activities are troubling. The potential for the North to market nuclear weapons and technology is also troubling.

In 2003, Iran admitted to the IAEA that it had a covert uranium enrichment program for many years, removing any doubt about the military intent of their program. Tehran now claims it will halt uranium enrichment activity, in exchange for nuclear technologies. Faced with international pressure, Iran signed, but has not yet ratified the Nuclear Nonproliferation Treaty's (NPT) Additional Protocol, allowing for more intrusive IAEA inspections. However, we remain concerned about Iran's ultimate nuclear intentions.

In South Asia, India and Pakistan have well-developed nuclear infrastructures and small stockpiles of weapons. Pakistan recently developed the capability to produce plutonium for potential weapons use. Weapon stockpiles in India and Pakistan are expected to grow.

##### *Chemical and Biological Weapons*

Numerous states have chemical and biological warfare programs. Some have produced and weaponized agents, while others are in research and development (R&D) stages. Contributing to the threat is potential development of new agents with toxicities exceeding those of traditional agents, or with properties that could challenge existing countermeasures. While we have no intelligence suggesting states are planning to give terrorist groups these weapons, we remain concerned about, and alert to, the possibility.

These weapons are easier to develop, hide, and deploy than nuclear munitions. Supporting technologies are relatively inexpensive and readily available because they have legitimate roles in medical, pharmaceutical and agricultural industries.

#### *Ballistic Missiles*

In addition to Russia and China, the United States will likely face intercontinental ballistic missile (ICBM) threats from North Korea. Iran may have the capability to field an ICBM by 2015. Russia's force will continue to be the most robust and lethal.

China is modernizing its ballistic missile forces and is fielding increasingly accurate solid-fuel, road-mobile missiles that will enhance survivability and provide Beijing flexibility. China is improving its silo-based, liquid-propellant ICBMs and is testing a new mobile, solid-propellant ICBM, the 8,000-km-range DF-31. It also is developing programs for an extended-range version of the DF-31. The number, reliability, survivability, and accuracy of Chinese strategic missiles capable of hitting the United States will increase during the next decade.

Based on a space launch vehicle program, we judge Iran will have the technical capability to develop an ICBM. However, we do not know whether Iran has decided to field such a missile. Tehran declared its 1,300-km Shahab-3 medium-range ballistic missile operational last summer.

North Korea continues to develop its Taepo Dong 2 ICBM. This missile could deliver a nuclear warhead to parts of the United States in a two stage variant and target all of North America if a third stage is added. Press reports indicate North Korea is preparing to field a new ICBM, about the size and dimensions of the Russian SS-N-6 SLBM. If this is true, such a missile could reach U.S. facilities in Okinawa, Guam, and possibly Alaska. North Korea is the world's leading supplier of missiles and related production technologies, selling to countries in the Middle East and North Africa and to Pakistan.

#### *Cruise Missiles*

The numbers and capabilities of cruise missiles will increase, fueled by maturation of land-attack and anti-ship cruise missile programs in Europe, Russia and China; sales of complete systems; and the spread of advanced dual-use technologies and materials. The threat from today's anti-ship cruise missiles is challenging and will increase with the introduction of more advanced guidance and propulsion technologies. Proliferation of land attack cruise missiles (LACMs) will also increase the threat to our forward based military forces and provide area denial weapons against potential contingency operations.

Today, very few countries, to include Russia, possess LACMs. China is expected to field its first dedicated LACM soon. China is developing and procuring anti-ship cruise missiles capable of being launched from aircraft, surface ships, submarines and land that will be more capable of penetrating defenses.

In the next 10 years, we expect other countries to join Russia, China, and France as major exporters in cruise missiles. India, in partnership with Russia, will begin production of the PJ-10, an anti-ship and land attack cruise missile, this year and may export the system.

#### *Proliferation*

Russia, China, and North Korea support various WMD and missile programs, especially in the Middle East and South Asia. Russian entities support missile and civil nuclear programs in China, Iran, and India, and to a lesser degree in Syria. Some of these nuclear technologies could have weapons applications. Chinese companies remain involved with nuclear and missile programs in Pakistan and Iran. In some cases, entities from Russia and China are involved without the knowledge of their governments. North Korea is the world's leading supplier of missiles and related technologies. We also see evidence of what is termed "secondary proliferation," when countries who previously imported weapons or weapons technology begin indigenous production and export of those systems. The most disturbing example of this trend is the linkage of North Korean, Libyan, and Iranian enrichment programs to Pakistani technology.

#### *Information Operations*

The information operations (IO) threat consists of capabilities such as electronic warfare, propaganda, denial and deception, and computer network attack to affect human or automated decisionmaking processes. Some of these target infrastructures such as U.S. logistics, command, control, communications, computers, intelligence, surveillance, and reconnaissance (C<sup>4</sup>ISR) and domestic economic infrastructure. Several adversaries are pursuing IO focused on select capabilities such as propaganda and denial and deception. Russia and China have adopted more comprehensive ap-

proaches with multiple capabilities. Chinese military theorists are developing IO doctrines, targeting both western and regional nations that will pose a long-term strategic threat to U.S. interests.

Many adversaries have demonstrated skill in misinformation and disinformation campaigns that target the United States and third parties to undermine U.S. interests. The threat to computer networks is extremely dynamic, with growing capabilities that are easily proliferated. Numerous distributed denial of service techniques, to include viruses and worms, could be used to shut down or disrupt computers in the lead up to or during a conflict. Most disturbing is that the basic tools are readily available on the Internet and can be customized by adversaries to fit their needs. We expect the IO threat to grow.

#### *General Technology Proliferation*

The situation remains unchanged from my testimony last year. Advances in information technology, biotechnology, communications, materials, micro-manufacturing, and weapon development are having a significant impact on the way militaries and terrorist groups organize, plan, train, and fight. Globalization of "R&D intensive" capabilities, such as computer hardware and software, biotechnology and nanotechnology, is allowing smaller militaries, groups, and even individuals' access to capabilities previously limited to those of the major powers. Integration, advancements and unanticipated applications of emerging technologies make the future and, correspondingly, our military strengths and vulnerabilities, extremely difficult to predict. While DIA cannot identify with specificity, some aspects of our military advantage will erode. Technological surprise is of great concern and we are watching this area intensely.

#### *Global Defense Spending*

Non-U.S. global defense spending, which we reported last year dropped 50 percent over the past decade, will likely increase during the next 5 years. The improving global economy is allowing increased funding at moderate rates. Defense spending will enable countries to pursue selective force modernization.

#### *Globalization*

Globalization remains an overwhelming force that presents security challenges. Terrorists, proliferators of illicit weapons and military technology, narcotraffickers, and alien smugglers are making increasing use of the world's financial, communication, and transportation systems. Rapid change from transforming industries and infusion of foreign products, media, and ideas is outstripping the ability of many governments and societies to adjust politically, economically and culturally. Portions of the population in many of these countries are instigating a backlash against the West and the United States, in particular. This backlash is one factor in extremist movements such as al Qaeda in the Islamic world and political instability in a broad range of countries. Our challenge is to develop collection and analytical skills to track and intercept the threatening things and people traveling around the world, and understand and predict instability and the social backlash that threaten our citizens and interests.

#### *International Crime*

Criminal groups in Western Europe, China, Colombia, Israel, Japan, Mexico, Nigeria, and Russia are involved in illicit transfers of arms and military technologies, narcotics trafficking, and alien smuggling. We continue to identify links between terrorism and organized crime. For example, the Afghan drug trade is a source of revenue and logistic support for Taliban and other opposition groups. Elements of al Qaeda traffic in opium and heroin. In addition, we are concerned that criminal groups will use their established networks to traffic in WMD and the terrorist movement.

#### *Uneven Economic and Demographic Growth*

Uneven economic and demographic growth will remain a source of instability. The poorest countries are almost universally those with the fastest population growth. High birth rates create demographic momentum as large groups of young people reach child-bearing age. As a result, much of the world population will remain below internationally recognized poverty standards. This is a problem not only for the very poor countries, but middle income ones as well. Middle Eastern, South East Asian, and African states are experiencing a "demographic bubble" (34 percent of Egyptians, 43 percent of Saudi Arabians, 42 percent of Afghans, 36 percent of Filipinos, 43 percent of Liberians and 48 percent of Congolese (DROC) are less than 15 years of age). Their economies and government services are not meeting the demands of growing populations. Education systems, as I spoke to earlier in my testimony, are

a critical factor for development. Inadequate education systems can mean countries and even regions are not capable of taking advantage of the opportunities of the global economy. The gap between the rich and the poor grows larger. Meanwhile, the communications revolution gives the poor a clearer view of the world's wealth, fueling resentment against their own governments and the developed world.

#### *North Korea*

Pyongyang's open pursuit of nuclear weapons and delivery systems remains a serious challenge. Pyongyang considers its nuclear weapons program critical to regime survival. North Korean media reports suggest Kim Jong Il believes the speed and success of Operation Iraqi Freedom (OIF) underscores the ineffectiveness of the North's conventional forces and the value of nuclear weapons.

North Korea's approach with respect to nuclear weapons is assessed to be designed to achieve the maximum concessions from the U.S. and other regional powers to ensure its own political and economic survival. While Kim Jong Il may be willing to abandon his nuclear weapons program, turn over the existing plutonium stockpiles and accept a vigorous inspection regime, we do not know the specific conditions which the North would require to reach an agreement.

The North Korea People's Army remains capable of inflicting hundreds of thousands of casualties and severe damage on the South. North Korean missile forces can also attack Japan. Internally, the regime in Pyongyang appears stable, but there are many unknowns. Kim Jong Il's security services maintain tight control over the domestic population.

North and South Korea cooperate in economic, transportation, and social sectors, but the South has made little headway on security issues. Without Seoul's assistance North Korea might be much less stable.

#### *China*

Chinese leadership transition since 2002 has progressed smoothly. The new leaders are unified in their focus on domestic stability and economic growth, maintaining the same security priorities and calculus as their predecessors. Former President Jiang Zemin retains control of the armed forces as Central Military Commission Chairman, providing continuity to Chinese military modernization and strategic direction.

China's leaders continue support for the global war on terrorism, in part because they see opportunities for international cooperation against domestic separatist problems—predominantly the ethnic-Uighur communities in western China. Beijing's criticism of the U.S. presence in Afghanistan and Central Asia and what they consider U.S. unilateralism has been muted. However, Beijing likely fears a long-term U.S. presence on its borders. The Chinese government has also limited its criticism of coalition military operations in Iraq.

China is keenly interested in coalition military operations in Afghanistan and Iraq and is using lessons from those operations to guide People's Liberation Army (PLA) modernization and strategy. Beijing was impressed with U.S. ground forces' performance during the Iraq war. While several years will be needed to fully incorporate lessons, China's military leaders are reevaluating some of their military assumptions.

China continues to develop or import modern weapons aimed at enabling it to fight and win wars on or near its periphery. Acquisition priorities include surface combatants and submarines, air defense, fourth-generation fighters, ballistic and anti-ship cruise missiles, space and counter-space systems, and modern ground equipment. The PLA is also cutting approximately 200,000 personnel to streamline the force, reduce costs, and support modernization. While making progress, the PLA continues to face significant technical and operational challenges.

Domestic political events on Taiwan are the principal determinant of short term stability in the Taiwan Straits. Beijing is carefully monitoring developments in advance of Taipei's March 2004 presidential elections and referendum. We see no indications of preparations for large-scale military exercises to influence Taiwan voters. Most of China's efforts appear to be diplomatic, oriented toward convincing the United States to constrain Taiwan. China's leaders see last year's enactment of Taiwan's referendum enabling legislation as a legal basis for prospective independence. China's leaders also are concerned that Taiwan President Chen Shui-bian would interpret re-election in 2004 as a popular endorsement for Taiwanese independence. Beijing will not tolerate Taiwanese independence and will use military force regardless of the costs or risks.

#### *Russia*

After nearly a decade of declining activity, the Russian military is beginning to exercise its forces in mission areas it believes are essential for deterrence, global

reach, and rapid reaction. Open source reporting confirms that ground force exercise activity in 2003 doubled that of 2002; training for use of nonstrategic nuclear forces continues; and Russia desires to have the ability for its Navy and Air Force to operate globally, as evidenced in their joint exercises in the Indian and Pacific Oceans in 2003. Russian military spending has increased in real terms in the past 4 years, in line with its improving economy. Additionally, we expect modest increases in the procurement of new weapons. Improvements will continue unless Russia suffers an economic setback—especially a significant decrease in the price of oil.

Moscow is attempting to reclaim great power status. Russian leaders believe an improving military supports its foreign policies and conveys the image of an active global power capable of asserting its national interests. It also supports the leaders' domestic political position. Additionally, Russia is improving its relations with some countries, most notably France, China, and India, in pursuit of a "multi-polar" world and to enhance its arms sales.

Russian military leaders were surprised by OIF's speed, effectiveness, and low casualties, but not by the operation's ultimate success. Proponents of western-style military reforms believe the results demonstrate the need for change in the Russian armed forces. However, they face resistance from an entrenched bureaucracy and senior leaders with vested interests in the status quo. OIF reinforced previous Russian assessments of the need for precision strike capabilities and improved intelligence, surveillance, and reconnaissance (ISR) systems. Russian military leaders recognize the need for more resources, but economic realities will prevent dramatic increases in military expenditures.

Russian leaders see OIF as an embodiment of U.S. unilateralism and believe U.S. actions have weakened the global war on terrorism alliance. Despite these views, Russia voted in favor of several U.S.-backed U.N. Security Council Resolutions. Moscow believes the United Nations should have the lead in establishing an Iraqi government. They will also work to ensure Russian commercial access to post-OIF Iraq and repayment of some of their loans to the previous Iraqi regime.

President Putin and other Russian leaders reacted calmly to the latest round of North Atlantic Treaty Organization (NATO) enlargement and are working to improve relations within NATO. However, many maintain the traditional Russian fear of military encirclement, citing potential of U.S. military rebasing and suspicions that Washington is not interested in ratifying the adopted Conventional Armed Forces in Europe Treaty or extending it to the Baltic States. They will oppose Ukraine's, Georgia's, and Azerbaijan's efforts to join NATO.

The Chechen war continues after more than 4 years and is a drain on the Russian military. Moscow rejects negotiations to end the war, but has not been able to defeat the guerrillas. Approximately 65,000–75,000 Russian troops remain in Chechnya. Official casualties approach Soviet losses in Afghanistan. However, Chechnya remains a minor issue for most Russians and has not threatened President Putin politically. Nevertheless, Chechen extremists remain capable of headline-grabbing attacks in many areas of Russia.

#### *Iran*

Iran remains wary of the large U.S. force presence in Iraq. However, fears of war between the U.S. and Iran have eased and most Iranians are indifferent to the U.S. presence. Nonetheless, a substantial minority strongly distrusts U.S. motives in the region. Iranian attitudes will be shaped by Washington's ability to improve the political and economic situation of ordinary Iraqis, especially the Shia.

With the exception of naval forces, Iran's military modernization has been stagnant. In reaction to OIF, Iran publicly announced implementation of an asymmetric strategy emphasizing lightly armed but numerous guerrilla forces. The only addition to Iran's air and air defense inventory is a new Iranian Revolutionary Guard Corps (IRGC) Air Force squadron of Su-25 close air support aircraft. Iran's Navy, the region's most capable, can temporarily disrupt maritime traffic through the Strait of Hormuz using a layered force of *Kilo* class diesel submarines, ship- and shore-based antiship cruise missiles and naval mines.

On the domestic scene, the hope among Iranians that President Khatami could institute change has faded. Conservatives retain control, and reformists are not mounting a challenge to their authority. Although Iran is stable for now, the regime must address social and economic problems if it is to ease public frustration and the potential for future unrest.

#### *Israeli-Palestinian Violence*

The Israeli-Palestinian conflict remains basically unchanged from last year. It furthers anti-American sentiment, increasing the likelihood of terrorism and increasing pressure on moderate Middle East regimes. While Israeli-Palestinian violence con-



tinues, the intensity and fatality levels decreased this past fall. Nevertheless, violence could flare suddenly.

Periodic attacks along Israel's northern border could escalate, drawing in Syria and Lebanon. In October, Israel retaliated for a terrorist attack by striking a terrorist training camp in Syria. Israeli leaders warned they would hold Syria responsible for future terror attacks by groups it harbors or sponsors.

A U.S. diplomatic convoy entering the Gaza Strip in October 2003 was deliberately targeted with an improvised mine. DIA believes this attack to be an isolated incident. We have no credible intelligence that a major Palestinian terrorist group is currently targeting U.S. facilities and persons.

#### KNOW SOMETHING ABOUT EVERYTHING

##### *Pressures in the Islamic World*

The process of sorting through competing visions of what it means to be a Muslim state in the modern era continues. As stated earlier in my testimony, we are particularly concerned over the stability of many of our Arab partners because of their poor economic conditions, ineffective government institutions, and "youth bulge." Arab public sentiment is increasingly opposed to U.S. policies according to recent polls, increasing pressures on governments who support the U.S. Support for the war on terrorism is low, ranging from 56 percent in Kuwait to 2 percent among Jordanians and Palestinians. Support for America has dropped in most of the Muslim world. Favorable ratings in Morocco declined from 77 percent in 2000 to 27 percent in spring of last year and in Jordan from 25 percent in 2002 to only 1 percent in May 2003. The percentage of Saudis expressing confidence in the United States dropped from 63 percent in May 2000 to 11 percent in October 2003. The Israeli-Palestinian conflict, and Washington's perceived pro-Israeli bias, was cited in some polls as a leading reason for anti-U.S. sentiment. These conditions and increasing anti-U.S. sentiment provide sustenance for radical political Islam at the expense of moderate elements.

Many of our partners weathered stresses within their countries during OIF because of the short duration of the conflict, acquiescence to expression of moderate levels of anti-U.S. sentiments and protests, and reliance on their strong military and security forces. Challenges to stability and continued support for the war on terrorism remain. Additionally, the assassination of a few key leaders could quickly change support for pro-U.S. policies.

##### *Pakistan*

President Musharraf faces significant political and economic challenges. He was recently the target of two sophisticated, well-planned assassination attempts. His support for the global war on terrorism, crackdown on indigenous Islamic extremists, Afghan policy, restrictions on Kashmiri militants, and attempts to improve relations with India have all increased his vulnerability. Popular hostility to the U.S. is growing, driven in particular by Islamabad's support for U.S. counterterrorism efforts. Opposition constrains his range of options.

Musharraf's viability depends on continued support from his military. He appears to retain the support of this core constituency. However, the two recent attempts on Musharraf suggest insider knowledge. He remains at high risk of assassination. If Musharraf were assassinated or otherwise replaced, Pakistan's new leader would erode pro-U.S. policies. The extent and pace of this erosion will depend on how Musharraf departs and who replaces him.

##### *Tension Between India and Pakistan*

Since Prime Minister Vajpayee's "hand of friendship" speech last spring and successful South Asia Association for Regional Cooperation (SAARC) conference in Islamabad this January, India and Pakistan have taken a series of steps to defuse tensions from the 2001/2002 crisis. These include restoring high commissioners, resuming transportation links, building people-to-people contacts, observing a ceasefire along the Line of Control and pledging to engage in dialogue on all bilateral issues including Kashmir. With the underlying causes of the Kashmir dispute unresolved and continued but reduced cross border infiltration, relations could rapidly deteriorate in the wake of another spectacular terrorist attack or political assassination. Both sides retain large forces close to the Line of Control in Kashmir and continue to develop their WMD and missile programs. Pakistan views its WMD programs as its only viable alternative to India's improving conventional capabilities.

##### *Egypt, Jordan, Saudi Arabia*

The Egyptian government remains in control of the country. Egypt's multiple, overlapping security agencies effectively manage protests and political dissent. Cairo

seeks closer official cooperation and consultation with Washington in promoting stability and security in Iraq but is limited by public discontent over U.S. regional policies. Cairo also is actively pushing the various Palestinian factions to agree to a cease-fire and return to the negotiation table with Israel.

The Jordanian government remains stable, largely owing to the loyalty of the military and security forces to a very popular King. The government is accelerating political and economic reform in the face of chronic economic and social pressures. King Abdallah has acknowledged that terrorism remains a threat—citing the bombings of the U.N. headquarters and the Jordanian embassy in Iraq last year. Jordan's position has been steadfast in denouncing terrorism, and Jordanian Foreign Minister Muasher has reiterated Jordan's commitment to cooperate with all countries and multilateral efforts in the fight against terrorism.

Despite recent terrorist attacks, the Saudi regime's control of national resources, the security infrastructure, and international support will enable the regime to survive. The backlash from last year's bombings actually strengthened public support for the global war on terrorism and prompted the government to seek increased international counterterrorism cooperation with the United States and other allies. At the same time, the Saudi public opposes U.S. policies in the region.

#### *Indonesia*

President Megawati, who faces election this summer, has increased political stability in Indonesia. Still, social and economic problems persist and Islamic extremists continue to foster terrorism and sectarian unrest. National unity remains a core preoccupation, with major security operations containing, but not defeating secessionists.

Terrorist bombings in Bali in 2002 and last year in Jakarta mobilized government efforts, leading to arrests and convictions of many Jemaah Islamiyah figures. Indonesia's largely moderate Islamic population rejects terrorism, but often is wary of U.S. policies in the Middle-East. Jakarta's cooperation on counterterrorism will, to varying degrees, continue. However, the government will avoid close identification with the U.S. and treat Islamic militant figures with caution through the elections. If President Megawati is re-elected, the Indonesian government will likely strengthen its counterterrorism cooperation.

#### *Philippines*

Like President Megawati in Indonesia, President Arroyo has increased political stability in the Philippines and support for the global war on terrorism. She is also standing for re-election in 2004. The country suffers from an active communist insurgency and Muslim separatist groups, some linked to al Qaeda. None, individually or combined, can overthrow the government. At the same time, government security forces are overextended and cannot deal effectively with the problems. Arroyo survived a failed coup by junior officers protesting corruption and pay inequity in the military in summer 2003. We do not expect a repeat of this incident prior to the May 2004 elections, despite the fact that coup rumors persist.

Philippine support for the war on terrorism will continue. U.S. military operations in the Philippines are limited by their constitution and political opposition. Law enforcement efforts have actually been more successful than the military in capturing terrorists. Manila has contributed a 100 member contingent to Iraq and is willing to contribute more if funding issues are resolved. They are looking to benefit from reconstruction contracts.

#### *Liberia*

Liberia is representative of many countries in Africa suffering from widespread government corruption, illicit arms flow and mercenaries. Liberia is on a path to recovery after 14 years of civil war, owing to the ouster of regional troublemaker and former President Charles Taylor, the signing of a comprehensive peace accord, the intervention of U.N. peacekeepers and the installation of a National Transition Government (NTGL). Even so, power struggles within the NTGL and factional fighting in the interior will persist until the U.N. deploys forces in other parts of Liberia to ensure demobilization and disarmament of targeted groups.

#### OTHER EVOLVING TRENDS

There are threats, both passive and active, to Defense Intelligence's collection capabilities. Information is the life blood of analysis and analysis is the foundation for knowledge. To ensure information superiority we must understand and counter those threats.

### *The Counterintelligence Threat*

Threats from foreign intelligence entities, both state and non-state actors, represent a growing challenge as they become more complex and elusive. These actors target a widening range of U.S. interests, from military and intelligence plans, operations and capabilities, to the growing threats to U.S. economic, technological, scientific and industrial competencies. Adversaries and traditional allies alike target U.S. capabilities.

### *Cover, Concealment, Camouflage, Denial, and Deception*

Key target countries have increased cover, concealment, camouflage, denial, and deception efforts to thwart U.S. technical intelligence, surveillance, and reconnaissance and clandestine human intelligence collection. Virtually every state that perceives itself threatened by U.S. military power and intelligence is assessing the performance of U.S. tactics, weapons and reconnaissance capabilities in OIF to develop more effective countermeasures against U.S. high-technology warfare.

### *Underground Facilities*

Use of underground facilities to protect and conceal WMD, ballistic missiles, leadership, and other activities is expanding. Growing numbers of underground facilities are especially notable among nations with WMD programs. In 2003, we have observed more than a dozen new military or regime-related underground facilities under construction.

### *Space and Space-Denial Capabilities*

Adversaries recognize the importance of space and are improving their access to space platforms. Worldwide, the availability of space products and services is accelerating, fueled by proliferation of advanced satellite technologies, including small satellite systems, and increased cooperation among states and increased activity by consortia. These developments provide unprecedented communications, reconnaissance and targeting capabilities to our adversaries because most space systems have military as well as civil applications.

## CLOSING THOUGHTS

The U.S. faces an assortment of existing and developing challenges, ranging from growing arsenals of nuclear armed ICBMs, to terrorists potentially armed with WMD or IO weapons, to insurgents and extremists attempting to destabilize our most important partners in the global war on terrorism. At the same time, advances in technology and increasing globalization have made our job of collection and analysis more difficult. Further complicating our task is the fact that some of our most productive and sensitive intelligence collection systems or their capabilities have been compromised, allowing adversaries to develop passive and active countermeasures.

My predecessors and I have testified that the Defense Intelligence threat paradigm, which focused primarily on the military capabilities of a small set of potential adversarial states no longer addresses the challenges we face. Traditional concepts of security, threat, deterrence, intelligence, warning, and superiority are outdated. We must transform our people, organizations, and capabilities if we are to meet these new conditions, just as our adversaries pursue new ways to diminish our strengths.

As I testified last year, the intelligence transformation initiatives—intended to improve our capability to provide warning, increase the quality and relevance of our all-source analysis, better facilitate effects-based campaigns, supply greater insights into adversaries' intentions, enhance preparation of the intelligence and operational battle-space and more effectively support homeland defense—continue to be the centerpiece of my tenure as Director of DIA. I am particularly enthusiastic about the possibilities of achieving Persistent Surveillance and Horizontal Integration, and the fielding of “state of the practice” information management tools and capabilities within Defense Intelligence to improve our ability to discover information and create knowledge, areas which I will highlight in my budget testimony later in the year.

The Defense Intelligence community—composed of DIA, Service intelligence, and the combatant command intelligence capabilities—is working hard to refine the processes, techniques, and capabilities necessary to deal with the current threat as well as new and emerging security challenges and opportunities. As I said at the outset, our global war continues and has intensified. With your continued support, I am confident we will supply our warfighters, defense planners and policymakers with the knowledge they need to successfully execute their missions.

Chairman WARNER. Thank you, Admiral.

We will now proceed to a round of 6 minutes per member.

Director Tenet, I felt you gave a very comprehensive and pragmatic review of the situation facing Iraq in the 120 days or less until the turnover of sovereignty to Iraq as scheduled on July 1. As I look through your statement and study other sources of information, I think we should receive from you your best estimate as to what level of probability is it that significant civil war, civil strife, could break out such that the turnover of sovereignty just cannot be achieved on July 1?

Mr. TENET. Sir, I think I would say at this moment that we see the probability as low. We are very concerned about what Zarqawi and some of the jihadists are trying to do in attempting to foment sectarian violence between Sunnis and Shias. The reaction to the Karbala and Baghdad bombings did not go that way. People understood, or at least our judgment is people understand, that the facts on the ground did not lead people to demonize each community.

So at this moment in time, while we know the jihadists want to create this kind of situation and perhaps what is left over of the Baathist insurgent elements may want to do the same, the political process that has emerged and the apparent intent of all sectors of this community to participate in this process I think mitigates it. We have to watch this very carefully, however. Trends here change very quickly. Today I would say there is low probability.

In my statement I said that there is the beginning of a political exchange between elements in the Sunni community who are organizing themselves in umbrella organizations. That is a positive development. We need to see how far that develops and we need to develop it much farther.

They need to believe that they have a stake in this, in an ultimate outcome. The political process has to go hand in hand with our ability to make security a better situation, along with economic reconstruction and putting projects in the Sunni heartland and employing young men who are standing on the streets.

So we have a ways to go, and it is a question that we are going to watch very carefully. But today I would say it is a low probability, on the basis of everything we know.

Chairman WARNER. On July 1, when sovereignty is handed over, describe as best you can the structure of that government that will receive it.

Mr. TENET. Well, we do not know that with any precision at this moment in time. It may be a Governing Council or an expanded Governing Council, a broader range of notables. We do not know the answer to that question today. That is a subject that Ambassador Bremer and others are dealing with on the ground. Clearly, the Transitional Administrative Law did not address that question.

Chairman WARNER. Do you wish to add anything further to that?

Mr. TENET. No, sir.

Chairman WARNER. I think Ambassador Bremer and his team and the coalition partners deserve a lot of credit for this Transitional Administrative Law document that was created against a background of a great deal of dissension. But I hope that same leadership can prevail on structuring such a group, presumably a continuation of the current IGC in some form, that will have credi-

bility within the overall Iraqi people. Do you think that is achievable?

Mr. TENET. I think that is what we have to strive for, sir, particularly in terms of Sunni representation. That credibility has to be present and I think that is what they are working on.

Chairman WARNER. Let me turn to a subject at hand—and I touched on it in my opening statement—and that is the clear difference between what we are discovering by virtue of the WMD program today, to the extent that has been achieved by the ongoing work of the force we have over there, and we made it clear that that work is far from complete. But I would like to have you describe how you view your role in gathering the facts and the intelligence, preparing the estimates, and how your role differs from that of a policymaker, be it the President, Secretary of State, Defense, or others, who take that intelligence and then extrapolate it in such a way as to make policy judgments. I find there is a clear difference in those roles.

Mr. TENET. Sir, our job is to portray our knowledge and to make the best judgments we can about what we believe to be in this context our judgments with regard to Iraq's WMD programs. Our community gathers and puts together a community document. It makes key judgments and findings and presents a broader range of views in the document. Where dissent is created, we portray that dissent.

In this instance, we obviously said—the key judgments have been declassified—we said that we believed that they had chemical and biological weapons. We believed his biological weapons program had been energized. We believed he was reconstituting his nuclear program. Most agencies, even the Department of Energy (DOE), believed that, even though there was a difference of opinion on the aluminum tubes.

We put this in context. We briefed this to the policymakers. The policymakers' responsibility at that moment is to make a determination of how they assess the risks, what they believe to be their course of action, and we try to give them the best judgments that we can. Clearly, their responsibility is making a determination on how to judge the urgency or the immediacy and what policy solutions they choose to take. That is not our job.

Chairman WARNER. Admiral, your function? Much the same, I presume?

Admiral JACOBY. Yes, sir.

Chairman WARNER. You provide your facts and findings and assessments basically up through the military channel?

Admiral JACOBY. Sir, actually I join in the Intelligence Community assessment process and we participate as an agency that also includes our Service intelligence capabilities and our theater intelligence capabilities in the process that Director Tenet just described. I also have responsibilities for providing direct military intelligence-related information and support to our decisionmakers inside the Department.

Chairman WARNER. That is the DOD?

Admiral JACOBY. Yes, sir. That focuses much more crisply on specific information to support planning for or military operations that may be under way.

Chairman WARNER. Thank you very much.

Senator Levin.

Senator LEVIN. Thank you.

You have testified, Director Tenet, that there is a low risk of civil war between now and July 1 in your judgment. If there is no consensus on the entity to which sovereignty would be transferred on July 1, do you believe that there is an increased risk of civil strife at that time? Second, if there is no consensus by July 1 on the entity to which sovereignty would be transferred, do you think it might be wise to consider delaying that transfer until there is such a consensus?

Mr. TENET. At this moment I am just speculating. At this moment I can only say that nothing I see today—I will reiterate: low probability.

Senator LEVIN. Even if there is no consensus on July 1?

Mr. TENET. Well, I was going to go to part two. Obviously, between now and July 1 the factor that we have to consider is the security environment, how well we are doing in terms of the insurgents and the jihadists, whether for example this fellow Zarqawi—in his letter he says March 1 is the kickoff date; we have 4 months until this interim authority is transferred. We have to work very hard to disrupt this.

So there are some indicators, Senator, that between now and then—I believe that if you had an interim government or somebody that you could transfer to that was broadly representative and seen by the Iraqis as a legitimate group of people, it will mitigate those kind of tendencies and help us in the security environment.

Senator LEVIN. Now, my question: If there is no such consensus on July 1, do you believe that that increases the likelihood of civil strife?

Mr. TENET. I simply cannot speculate today. I do not know.

Senator LEVIN. Thank you.

You and I and many others have talked about the issue of Iraq seeking uranium from Africa. The CIA told the British in September 2002 that it questioned the reliability of the information about that story and urged them not to include it in the British dossier. Then on October 1 the Intelligence Community published its classified NIE, now partly declassified, that included in its text something which is very different from what you were telling the British. You said: "Iraq also began vigorously trying to procure uranium ore, yellowcake."

Then in early October you personally called Deputy National Security Adviser Hadley to urge removal of the reference to Iraq trying to obtain uranium from Africa from the draft Cincinnati speech of the President on October 7. It was removed.

The CIA then sent two memos to Mr. Hadley on the same subject. But on December 19 the State Department issued a fact sheet referring again to Iraq's efforts to procure uranium from Africa.

This is the question that I want to ask. On January 20, President Bush sent a report to Congress. That report states, and it is with his signature, that the Iraqi declaration failed to deal with, "its attempts to acquire uranium." So there it appears in a formal message to Congress, January 20, under the President's signature. I have asked you before; you did not know the answer. Do you know now whether or not the CIA approved that report?

Mr. TENET. Two parts. No, we did not approve that report. The second part is, it is also clear that we were wildly inconsistent in other submissions about this issue.

Senator LEVIN. All right. The next question: On January 23 the White House issued a report titled, "What Does Disarmament Look Like." That report states also that: "The declaration ignores efforts to procure uranium from abroad." Did you approve that language on January 20, or do you know?

Mr. TENET. I do not know, sir.

Senator LEVIN. Thank you. Now, in August 2002 Mr. Feith briefed you in a classified briefing about Iraq's relationship to al Qaeda. That briefing was subsequently given to the NSC and to the Office of the Vice President. When were you aware of the fact that the briefing that you were given in August 2002 was then given to the Office of the Vice President?

Mr. TENET. I did not know it at the time, sir. I think I first learned about this at our hearing last week.

Senator LEVIN. So last week was the first time you ever knew that the Feith office was briefing the Office of the Vice President?

Mr. TENET. I was unaware of it, sir.

Senator LEVIN. Then, what was your reaction to that briefing?

Mr. TENET. As I told you in our hearing last week, I spent about 15 minutes with him. I said, thank you for the briefing, and turned it over to our analysts, who then worked with their analysts, and did not go any farther than that.

Senator LEVIN. Do you have any recollection as to whether that briefing was accurate or not?

Mr. TENET. I do not have a recollection, sir. I did not spend a lot of time with it.

Senator LEVIN. Is it standard operating procedure for intelligence analysis such as that to be presented at the NSC and the Office of the Vice President without you being part of the presentation? Is that typical?

Mr. TENET. Well, my experience is that people come in and may present those kinds of briefings on their views of intelligence. But I have to tell you, Senator, I am the President's chief intelligence officer. I have the definitive view about these subjects.

Senator LEVIN. I know you feel that way.

Mr. TENET. From my perspective, it is my view that prevails.

Senator LEVIN. I am sure you do feel that way, but is that a normal thing to happen, that there be a formal analysis relative to intelligence that would be presented to the NSC without you even knowing about it?

Mr. TENET. I do not know. I have never been in that situation. I do not know whether it qualified as analysis or not. I just do not recall this piece of—

Senator LEVIN. You recall the briefing?

Mr. TENET. Vaguely, yes, sir.

Senator LEVIN. Finally, did you ever discuss with the Secretary of Defense or other administration officials whether the DOD Policy Office run by Mr. Feith might be bypassing normal Intelligence Community channels? Did you ever have any conversation like that with the Secretary?

Mr. TENET. I did not. I looked at my records, sir.

Senator LEVIN. Thank you.

My time is up.

Chairman WARNER. I wish to say to Senator Levin and members of the committee that we requested a copy of that briefing for the committee. It is now in our possession, in our files, available to any member to look at.

Senator LEVIN. Well, Mr. Chairman, just on that matter, I did request that. It took a long time for Mr. Feith to come forward with that briefing. It is a slightly different briefing, I might say, than the one that was presented to the DCI. I will just have to leave it at that. I will leave out, because I am not allowed to say since that is still a classified briefing, a very significant little omission in that briefing as it was presented to Mr. Tenet compared to the briefing that was sent to us and was presumably presented to the Vice President's staff.

Thank you.

Chairman WARNER. Senator Roberts.

Senator ROBERTS. Thank you, Mr. Chairman.

Admiral Jacoby, the National Defense Authorization Act for Fiscal Year 2004 called for establishment of incentives for information leading to the resolution of Captain Scott Speicher's fate or his case. I understand that some within the Defense Prisoners of War (POW) Missing in Action (MIA) Office (DPMO) have some concern about this. I think this argument is absurd.

As a matter of fact, if you go back over the actions of the Intelligence Community for the last 5 or 6 years, we have had to take the analytical capability, put it into law, and make sure that the Intelligence Community does an assessment in regard to those that we may leave behind. I would say, with all due respect to DPMO, not the current people that serve there, but people crawled out of train wrecks faster than people responded to Captain Speicher. As far as this Senator is concerned, their past policy is, if not egregious, almost reprehensible.

So I would hope that you would keep us posted, as you have been doing, and that these incentives will be provided to get us the information we need. Would you care to just say yes?

Admiral JACOBY. Yes, sir, I will, and I also will assure you, sir, as we have in previous briefings, that we have, through the ISG efforts in Iraq, not missed any opportunities in terms of following up information with the authorities that General Dayton has at his disposal.

Senator ROBERTS. That effort is aggressive and ongoing?

Admiral JACOBY. It is both aggressive and ongoing, yes, sir.

Senator ROBERTS. Mr. Chairman, I have an observation, and if I go over time I apologize, but not very much. There has been assertion after assertion that we need an independent investigation of the prewar intelligence prior to OIF. Senator Levin has summed up the obvious real concerns that we have on the Intelligence Committee and this committee in his opening statement.

The DCI and Admiral Jacoby spent 5 hours with us Thursday in the Intelligence Committee, and on Friday spent 3 hours with the House Intelligence Committee. Today you are going to spend at least 4 hours with this committee and probably a lot more to come, and that does not count all the hours you have already spent.



Thursday you had 43 people in the committee room and we about asphyxiated with all the people that we had in there, and they represented the entire 14 agency heads of the Intelligence Community.

Now, I know that there is another report coming from the President's Foreign Intelligence Advisory Board (PFIAB). You have the Kerr Review in regards to the DOD. You have the Inspector General. You have the CIA taking a look at your intelligence capabilities. You have the Intelligence Committees in both the House and the Senate, you have the Appropriations Committees in both the House and the Senate.

You have now an independent investigation headed up by Senator Robb, a former colleague of ours who is eminently qualified, and Judge Silverman. You have all four Services taking a look at lessons learned on intelligence.

That is 14 either inquiries or probes or investigations. You have many press partridges in the intelligence pear tree, starring in the Washington version of "Lord of the Links" and receiving awards from time to time. You have the House and Senate investigations of the September 11 situation in the last session. You have an independent investigation that should be completed in July. You have virtually every armchair expert with 20/20 hindsight and various conspiracies and axes to grind. You have 100 Senators and 435 House Members, not to mention all the individual groups who have a say in this.

Are we splitting the shingle? That is a Dodge City term where if you hit the shingle about 17 times then you split it. Is there anybody left down at Langley doing their job?

Mr. TENET. Sir, I would say that we are spending a lot of time on it. I know it is important. This is a community that believes in oversight. With more than one, it gets difficult, but we will work through it. Obviously, it takes us away from our work, but it is an important issue and we will do the best we can.

Senator ROBERTS. Well, let me recommend another target of opportunity for us. I think the only thing lacking is an independent commission to investigate all the independent commissions and the investigations.

We on the Intelligence Committee—and it is through rather troubled waters—working on a bipartisan basis, have 310 pages of our report. We have interviewed over 200 analysts on WMD, on the links to terrorism, on regional stability, on human rights. We have added on prewar intelligence on postwar Iraq. We have added on the quality of the Iraqi National Congress (INC) intelligence that was provided; the much-discussed DOD intelligence cell that has just been referred to; and then use of the intelligence by all government officials. Note, I said "all government officials," not just the Bush administration but the Clinton administration and all government officials, and that means Members of Congress, some of whom have been so critical and so aggressive and so declarative in their statements that it is hard to figure out how they made the same kind of statements over about a year ago.

Then we are going to have our draft conclusions this week. We are going to then go into redaction. Then we are going to be talking with you to see if we cannot make that report public, and I hope that we will have it done by April. Basically, I am extremely hope-

ful that we can leapfrog the politics in an even-numbered year, which is probably not possible under the circumstances, but we are going to give it a hell of a go.

We have a meeting this afternoon on the budget. Now, in the 1990s we really cut the funding in regards to intelligence. We got to a bathtub. Now, as you well know, we have an awful lot of money spent on collection, not as much as we need on the analytical side, in regards to human intelligence. Then you have to rely on supplementals as opposed to the budget. That is wrong.

So the House Intelligence Committee and the Senate Intelligence Committee can make a determined effort to try to fix that. So consequently, I think we bear part of that responsibility in regard to our Nation's intelligence efforts to safeguard our national security.

I am saying this on behalf of the young CIA employees and officers that we met—Senator Warner, Senator Levin, Senator Rockefeller, and myself—in Iraq, in Pakistan, in Afghanistan, and they are second to none. So I am very hopeful that in our effort to find the truth here and shine the light of truth into darkness we do not do damage with regards to the esprit de corps of the Intelligence Community. But we will get our work done.

I thank you both for the job you are doing.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator Roberts.

Senator Kennedy.

Senator KENNEDY. Thank you very much, Mr. Chairman.

Director Tenet, in your speech last month at Georgetown you said the Intelligence Community never said the threat from Iraq was imminent. You defended the CIA and talked about the difficulty of obtaining accurate intelligence, but you clearly put some distance between the intelligence you provided and the way President Bush used it to justify the war.

The key issue is whether the threat was serious enough and the intelligence good enough to go to war. The National Security Advisor said we should not wait for "the mushroom cloud." The White House Press Office said the threat was imminent. Vice President Cheney said he was convinced that Saddam would be acquiring nuclear weapons fairly soon. President Bush himself may not have used the word "imminent," but he carefully chose strong and loaded words about the threat, words the Intelligence Community never used.

To prepare the Nation to go to war against Iraq, President Bush said Saddam was on the verge of acquiring nuclear capability. He described it as a "threat of unique urgency," "a unique and urgent threat." These are all quotes from his speech in October in the White House Rose Garden, and on November 20, 2002, before the North Atlantic Treaty Organization (NATO). I will give you the citations. He described it as a "threat of unique urgency," "a unique and urgent threat," "a grave threat," and spoke of a "mushroom cloud."

Did you ever use those words to describe Iraq to the President?

Mr. TENET. Sir, I think that the way we described the threat to the President was, and it is clear in our key judgments in our NIE, we believed that Saddam Hussein, in addition to the key judgments we made on expanding his chemical and biological capabil-

ity, we believed that he was continuing his efforts to deceive us and build programs that might constantly surprise us and threaten our interests.

Senator KENNEDY. Did you ever tell him that he was overstating the case? You see him every other morning. After he made these statements, did you ever tell him, Mr. President, you are overstating the case? Did you ever tell Condoleezza Rice, or did you ever tell the Vice President that they were overstating the case? If you did not, why not?

Mr. TENET. Well, Senator, I do the intelligence. They then take the intelligence and assess the risks and make a policy judgment about what they think about it. I engage with them every day. If there are areas where I think someone said something they should not say, I talk to them about it. There are instances, obviously, with regard to the State of the Union speech, where I felt a responsibility to say something that the President said should not have been in that speech.

But I will tell you that I have now worked on Iraq in consecutive administrations and I have watched policymakers take language from intelligence and translate it into language where they do the risk calculus, they think about what the policy implications are, and then talk about it in ways that we may not necessarily talk about it.

Senator KENNEDY. Well, when do you feel that they are misrepresenting it? What is your responsibility? I mean, when do you say no? You give them the intelligence. You indicated here that they put the sense of urgency on it. That was the quote. When you see this intelligence you provide being misrepresented, misstated, by the highest authorities, when do you say no?

You cannot have it both ways, can you, Mr. Tenet? You cannot on the one hand just say, look, we never said that war was imminent, and then have these superheated dialogues and rhetoric which is the same as "imminent" and tell us here before the committee that you have no obligation to correct it or did not even try.

Mr. TENET. Senator, I can tell you that I am not going to sit here today and tell you what my interaction was and what I did or what I did not do, except that you have to have the confidence to know that when I believed that somebody was misconstruing intelligence I said something about it. I do not stand up in public and do it. I do my job the way I did it in two administrations.

For policymakers, this is a tough row. Policymakers take data, they interpret threat, they assess risk. They put urgency behind it, and sometimes it does not uniquely comport with every word of an intelligence estimate.

Senator KENNEDY. Well, Director, I am not talking about parsing words.

Mr. TENET. No, sir, I understand that.

Senator KENNEDY. We are talking about words that are basically warmongering. There is a big distinction, I think. These are semantically the same as an imminent threat. People understood that. When you talk about a mushroom cloud, how much more imminent a threat could there be? We are now seeing that there was no immediate threat, and yet you hear the President, the Vice President, and the Secretary of Defense using that superheated rhetoric.

We have to ask, what is your responsibility? When do you say that this is more than just my interpretation, this is clearly going beyond the pale? Or do you not feel that way?

Mr. TENET. Sir, I have a responsibility. I lived up to my responsibilities. I talk to our policymakers. At the same time—the context of what we were talking about here—the fact that in one of our key judgments, whether right or wrong, we felt and stated there was a lot that we did not know and we constantly felt that we might be surprised by our lack of access. There was a history they brought to us. There was use, there was the relationship with the U.N.

At the end of the day, they made policy judgments and they talk about things differently.

Senator KENNEDY. But do you believe the administration then misrepresented the facts to justify the war?

Mr. TENET. No, sir, I do not.

Senator KENNEDY. Why not?

Mr. TENET. In policy judgments, sir, there are places where I intervened and I clearly talked to you about the State of the Union Address, or a couple of weeks ago after my Georgetown speech I talked to the Vice President about the fact that the mobile biological weapons vans, there was no consensus in our Intelligence Community. I think I have done my job the same way in two administrations.

Senator KENNEDY. My time is up, Mr. Chairman.

Chairman WARNER. Thank you very much.

Senator Allard.

Senator ALLARD. Mr. Chairman, thank you.

No doubt we are in a political year, a presidential election year. You can tell that from some of the rhetoric. But I would just make the observation that I have observed rhetoric that was much stronger, I think, out of Members of the Senate than out of the President.

Mr. Tenet, I want to commend you on your professionalism. I think you have done a good job in presenting the facts as a general rule. I feel like you have been a true professional in carrying on your duties. I just want to make that part of the record.

I have heard you give testimony as a member of the Intelligence Committee, which I no longer serve on, but also here on the Armed Services Committee. There has been some criticism about the collection of intelligence, so I want to say this in a constructive session. I would like to know—and I know you have had some real challenges with intelligence because, for one thing, we are dealing with a closed society and it is very difficult to get individuals in on the ground that could provide us the information that we need to supplement what we are getting through our high technology to collect data.

What is it that we can do to help improve intelligence gathering? Perhaps maybe you, Mr. Tenet, as well as Vice Admiral Jacoby could comment on that.

Mr. TENET. Sir, I think that we have laid out a vigorous collection program over the last 6 or 7 years that I have been Director. I would maintain my focus on continuing to rebuild our human intelligence, continuing to focus on collection capabilities that allow

us to deal with deception and denial. I think that the budget before you has a very strong emphasis in precisely the areas that we need to continue to make steady progress in, particularly in human intelligence and special collection activities that allow us to defeat deception and denial.

I know that we have had some significant increases in intelligence spending over the last 4 years that have allowed us to get back to a base that I think is healthy, and now we have to make sure that we continue to move forward while attracting the best people to our service, because at the end of the day they are what makes this work. So keeping the eye on the ball of rebuilding human and real close attack technical capabilities is what this future is all about, and I think our budget reflects that.

Senator ALLARD. Admiral Jacoby.

Admiral JACOBY. Senator, it is clear that we were working in a situation where we had large gaps of information, whether it was because of gaps in intelligence coverage or whether it was because of gaps of human intelligence penetration into decisionmaking and intentions. So I would ask that we look very hard at our intelligence collection capabilities and try to move from a period where we do reconnaissance where there are gaps in coverage to a situation where we consider our capabilities as a system of systems and look to achieve persistence, which is the ability to linger on a problem long enough to truly understand it.

Human intelligence plays a major role in that, and we need to be thinking about how we integrate better, so that we do not put the pressure on the analysts' assessments and analysis to fill those gaps in coverage.

Senator ALLARD. Thank you both for your response.

In your testimony, Mr. Tenet, you characterized how much of the proliferation occurs, and I would like to kind of change the emphasis as to why that is happening. There are two sides of the proliferation problem. There is the supply side, and then there is the demand side. The successes that you have described based on the intelligence penetration of the supply chain and the President's proliferation security initiative coordinates efforts to interdict illicit supply activities.

Could you give us your assessment as to what is fueling the demand for ballistic missiles, and can we decrease this demand cross the states of concern? Admiral Jacoby, maybe you would have a comment on it.

Mr. TENET. I think, Senator, one of the things—proliferation begets proliferation. My possession of a ballistic missile, particularly in a tough neighborhood, immediately stimulates other countries immediately wanting to have a similar kind of capability. The Iranians have a Shahab-3. The Near East is a part of the world where ballistic missile capability continues to grow. People acquire it.

The complicating piece of this in the proliferation arena, but particularly in the nuclear arena, where we highlight a man like A.Q. Khan, is that the nation-state used to be the sole purveyor of technology and today networks of loosely affiliated individuals, who may not have an affiliation formally with a nation-state, are now providing technology and components and the wherewithal and a one-stop shopping mechanism that has complicated our life.

But the truth is, the more of it you see, the more other countries want to acquire it and be in the position to have an equal capability. Then it leads you to weaponization, it leads you down a different path that causes so much concern. The inherent problems with covering dual-use industries that are compatible with chemical and biological industries and weapons make the job a lot tougher.

So the continuum has to start at the front end. As you go down the right-hand side of the ledger, interdiction is a very important piece, but we have to work quite hard to stop these networks and countries from giving up this technology.

Senator ALLARD. Admiral Jacoby.

Admiral JACOBY. Sir, I would agree totally with sort of the, if you want to use the term, regional arms race, where it is your neighbor's capabilities and an escalating kind of situation. But we also need to be aware of the fact that proliferation of WMD is a mechanism for gaining influence, too, and that is a North Korea type scenario.

So we have both of those situations. I think we need to be very precise in looking at the motivations, the factors behind them, in trying to address those motivations and factors as we go.

Senator ALLARD. Just one more question. What is the prospect that North Korea, Iran, Syria, and others would follow Libya's lead and volunteer to divest their ballistic missile weapons?

Mr. TENET. Low likelihood at this point, I would say, sir. It is a good example, but I do not know that others will follow their lead.

Senator ALLARD. Admiral Jacoby.

Admiral JACOBY. I agree totally, sir.

Senator ALLARD [presiding]. I see that the chairman has left, so I am now going to temporarily chair the committee. Senator Akaka is next.

Senator AKAKA. Thank you very much, Mr. Chairman.

Mr. Chairman, I want to commend the CIA for the tremendous job it did in ending Libya's WMD program and uncovering A.Q. Khan's nuclear smuggling network. That was a great effort by the CIA.

My question to you concerns the seriousness of the Pakistani government in ending Khan's activities. You give Prime Minister Musharraf good grades, and Pakistan has worked pretty well with us. But, coming back to Khan's activities, I know he has confessed and he has been pardoned. Did the government impose any penalties on him? For example, does he still own his million dollar homes? Also, have we been given access to his interrogation reports, including his confession?

Mr. TENET. Senator, let me just say that President Musharraf has been very cooperative in this regard. I would prefer to talk about some of those questions in closed session.

Senator AKAKA. Thank you.

Director Tenet, a lot of questions have been raised about the quality of our intelligence relating to Iraq's WMD and also as to whether or not Iraq's WMD was an imminent threat. I do not want to get into those questions. They have been pretty well covered already. But I do want to ask you if the NIE on Iraq produced in Oc-

tober 2002 was substantially different in its conclusions from the Intelligence Community document produced in the year 2000?

Mr. TENET. Sir, we can provide for the record the evolution of all of our judgments over the course of the last 10 years. Off the top of my head, I just do not have an answer, but I will provide that for the record. I think the committee may have that, but we have been writing about Iraq for 10 years. There were some things in this estimate and data that we acquired that pushed us in some directions on specific things, but I will provide that to you.

[The information referred to follows:]

Mr. Tenet did not respond in time for printing. When received, answer will be retained in committee files.

Senator AKAKA. News reports suggest that the Pakistani army is engaged as never before in the search for Osama bin Laden inside Pakistan. The Pakistani Intelligence Service has a long history of operating with a different agenda than that declared by the government. The Pakistani military has often been reluctant to go into the tribal areas where we suspect terrorists are hiding.

My question to you is, are you satisfied with the Pakistani counterterrorism strategy and this latest effort to get Osama bin Laden? If not, what causes you concern?

Mr. TENET. Let me say this. I am very satisfied with what the Pakistanis are doing in the counterterrorism strategy. I do not think it is appropriate to talk about bin Laden or things that have been in the media. We should not be talking about those things, sir. We can talk about this in closed session, but I do not think it is appropriate in open session.

But the Pakistani government and President Musharraf have been a key ally against al Qaeda and the gains there have been substantial in terms of our ability to accomplish some of the objectives that I talked about in my statement.

Chairman WARNER. Senator, may I interrupt to say that we will have a closed session following this open session in room SH-219.

Senator AKAKA. Admiral Jacoby, I have some questions about the situation in Iraq and Afghanistan that I hope you can respond to briefly. Senator Levin has raised in the past concerns about the weapons depot sites in Iraq. I wonder if you could tell me, how secure do those sites remain? Have there been any substantial thefts from them?

We have heard a lot about trends in violence in Iraq and how most of those attacks have been concentrated in the Sunni triangle. Can you tell us if there has been an increase or decrease in the number of attacks in the southern part of Iraq?

Admiral JACOBY. Senator, let me take the second question first. The situation in the south has been basically unchanged over the last 3 or 4 months—quite stable, with very small numbers of attacks. Frankly, what is happening in many areas of the south is that the population is coming forward, identifying troublemakers and problems before they have a chance to act, and the coalition is able to take preemptive action against them.

For the question about the weapons storage areas, sir, we have a broad range of situations. We have some storage areas that remain intact and are guarded. There are storage areas that were looted prior to our arrival. I believe General Abizaid has character-

ized, maybe even to this committee, the large number of weapons storage areas, many of them in dispersed areas and very poorly maintained by the Saddam regime. These remain a major problem. Just the volume and the dispersion of those weapons by itself is an issue, sir.

Senator AKAKA. What about northern Iraq? In northern Iraq, where the Kurds dominate, what is the situation? Has there been an increase or decrease in violence against the Turkoman minority?

Admiral JACOBY. Senator, there is nothing that is notable in terms of trends. The situation in the north remains basically stable and there have not been sort of targeted attacks on portions of the population in that area.

Senator AKAKA. Thank you very much, Mr. Chairman.

Chairman WARNER. Thank you, Senator.

Senator Dole.

Senator DOLE. Gentlemen, I appreciate the immense challenges the Intelligence Community must overcome to provide accurate and timely intelligence estimates. Our potential enemies attempt to conceal their capabilities and deny the very threats they pose to American interests. Your work, starting with the collection of raw information, followed by its analysis and fusion into a useful intelligence estimate, is truly an art form. I commend the Intelligence Community for its excellent work and recent successes. These actions can only help make the world a safer place.

From your remarks I understand that intelligence collection, which has always been difficult against closed and highly secretive societies, is even more difficult and complex now than at any time in the past. This is a primary factor driving what you, Director Tenet, stated in your February 5 speech at Georgetown University: In the intelligence business you are almost never completely wrong or completely right.

With respect to intelligence collection, does the President's budget adequately resource the Intelligence Community to maintain a broad situational awareness while also quickly generating the needed intelligence on multiple security issues?

Mr. TENET. Yes, Senator Dole, I believe it does.

Senator DOLE. Today we are here to receive testimony on current and future threats to the national security of the United States. Unfortunately, much of the current intelligence debate surrounds our prewar intelligence on Iraq and whether we were right or wrong. Director Tenet, I support your efforts as well as the other inquiries which are examining what our Intelligence Community told policymakers compared to what they knew and did not know at the time.

The work of the ISG is essential towards this end. Given the amount of work still ahead for the ISG, is it premature to make absolute statements of how right or wrong our prewar intelligence estimates were?

Mr. TENET. I think it is too early to make judgments, Senator Dole. I think if you look at the interim report that we got in October, and particularly in the biological weapons area where Dr. Kay talked about clandestine research facilities, human testing facilities, things that were denied to the United Nations, certainly in the missile area what we found—and I said in my Georgetown speech,



on missiles our estimate was generally on target, and Dr. Kay confirmed that.

We have made less progress in the chemical area. That surprises me. But I think that we are operating in an environment where we have a good strategic approach. The security environment is difficult. The Iraqis are going to have to help us, and I think that Charlie Duelfer, my new special assistant, will be coming forward at the end of the month and he will make a determination about how much time we need.

But at this moment I would argue for patience to allow these men and women to do their work. It is important for a number of reasons. We want to know whether we were right or wrong. We want to know what the disposition of these programs were. We do need to understand whether there was any secondary proliferation, which would be of great concern to us.

So some patience is required here, and I think the country will be well served.

Senator DOLE. Thank you.

Our intelligence agencies have been accused of dismissing reports from Iraqi scientists, defectors, and other informants who said Saddam Hussein's government did not possess unconventional weapons. It is understandable that our agencies must filter reports from human intelligence sources and scrutinize those that lack sufficient credibility or originate from sources with questionable motivations. Recently the Intelligence Community was accused of dismissing some human intelligence because it did not conform to widely held beliefs within the administration and Intelligence Community that Iraq had illicit weapons programs.

Were either of you under any pressure in any way to filter intelligence prior to the war in Iraq?

Mr. TENET. No, ma'am.

Senator DOLE. Admiral Jacoby.

Admiral JACOBY. No, ma'am, I was not.

Senator DOLE. Would you please clarify how our intelligence agencies handled human intelligence reports?

Mr. TENET. Well, Senator, in open session I will say that we attempt to validate, corroborate, and seek other sources of data, carefully evaluate what access the individual has in question, and then try and test the proposition through other collection means. So we never take anything at face value.

Over the course of time, just because somebody was accurate last year does not mean they continue to be accurate. So the vetting and constant testing of access and reliability is built into how we do our work and our professional ethic.

Senator DOLE. Thank you, Mr. Chairman.

Chairman WARNER. Thank you very much, Senator.

Senator Lieberman.

Senator LIEBERMAN. Thank you, Mr. Chairman.

Thank you, Director Tenet, Admiral Jacoby.

The questions that have been raised about the state of our pre-Iraq war intelligence and what the administration did with it are significant questions, but it does seem to me that it is critically important for all of us, both parties, particularly in this election year, not to let the pursuit of answers to those questions distract us from

the immediate pressing challenges to our security that are occurring in Iraq, where momentous judgments will be made, as you have testified to, in the next several months, the exact same time period during which the election campaign here will be held; that those questions about prewar intelligence, important as they are, not distract us from focusing on the kinds of current threats to our security that you both have outlined in your testimony before us today.

I want my questions to focus on those. You said, Mr. Tenet, on page 5 of your prepared testimony, unclassified: "Mr. Chairman, I have consistently warned this committee about al Qaeda's interest in CBRN weapons. Acquiring these remains a religious obligation in bin Laden's eyes, and al Qaeda and more than two dozen other terrorist groups are pursuing CBRN materials. We particularly see a heightened risk of poison attacks. Contemplated delivery methods to date have been simple, but this may change as non-al Qaeda groups share information on more sophisticated methods and tactics."

That is very chilling stuff. I want to ask you first, where are al Qaeda and these other groups pursuing this CBRN capability?

Mr. TENET. Senator, let me tell you, if you think about a network of individuals who mix scientists, the technical know-how, the search for material, you find that these networks stretch from the Near East to Europe, and we find them in very specific compartmented lines, low end to high end, with common facilitators, training—low end, things they learned in Afghanistan. We know that from chemical and biological manuals. Then what we carefully try to look for is seepage of material, access to scientists.

This network that I am talking about, whether I am talking about anthrax or radiological materials, has all of these. These networks have all of these elements. So the concern that we have is high end, high impact capability. We know that this group continues in its quest for spectacular attacks against the United States or our allies, and the CBRN route obviously provides you with that kind of high end.

They have technical expertise, they have money, and they proceed apace in seeking to acquire this capability. We can talk about it a little bit more in closed session, but this is my highest worry. I am as worried about how much we know as how much we do not see. So we are working quite diligently on this, but this is I think a very difficult and important issue for the future and our understanding and our action.

Senator LIEBERMAN. Let me ask this question. In prefacing it, I mention that last week General Abizaid appeared before this committee and we asked him, someone on the committee asked him, what are the major needs that he has, what are the greatest lessons learned at this point from our involvement in OIF. He said that they needed greater intelligence.

I would invite you to respond to this. As you face these threats—you described the threat from al Qaeda and the more than two dozen other terrorist groups seeking CBRN weapons—and now having been—and I will allow you to correct me on this—somewhat surprised by the revelation of the A.Q. Khan network, which we found through Libyan cooperation with us—

Mr. TENET. No.

Senator LIEBERMAN. —do you feel that you have adequate support and systems to penetrate the enemy here, both the worldwide terrorist network and the terrorist insurgent enemy that our troops and coalition partners are facing in Iraq? The Pentagon comes before us with supplemental requests.

Mr. TENET. I do too.

Senator LIEBERMAN. You do too. So do you have what you need to fill the gaps that we are finding in what we know about this enemy?

Mr. TENET. Senator, I would say—and part of this enemy, by the way, this fellow Zarqawi, he is part of this enemy because he is involved in low end poisons plotting and he is inside Iraq. I would say that from our perspective, we have walled off and protected terrorism, proliferation, and Iraq as major pieces of our intelligence focus and effort. So the key thing for me is sustaining and maintaining high-quality people to take these assignments. But in those areas we have intense focus and enormous resource allocation.

If you were to ask me what suffers from all that, well, global coverage in other parts of the world probably will suffer, because these are our highest priorities and on terrorism we cannot afford to move anything but forward and more aggressively constantly because of what we face. Success begets an unknown and new people pop up, these networks that I am talking to you about, particularly networks that are springing up as you flatten the pyramid organization and migrate networks throughout the world.

So we are still dealing with it. I see this same issue part and parcel. You have Ansar al Islam, Zarqawi, terrorists. Jihad in Iraq should not be separated from jihad in Iran and Kenya and other places. It is all part of the same network.

So I think we would say the people and focus are there. Sustainability, continuing to be able to operate and bring the best people up there constantly, is a challenge for us. But we are committed to it.

Senator LIEBERMAN. So you have what you need for now?

Mr. TENET. Sir, we will be back no doubt for a supplemental. There is no doubt about that.

Senator LIEBERMAN. Admiral Jacoby, I know my time is up, but from a DIA point of view how would you respond to General Abizaid's statement—I believe I am doing it justice—that there is a need for improved intelligence to help him successfully prosecute on behalf of the coalition?

Mr. TENET. Sir, can I take a shot at that first?

Senator LIEBERMAN. Sure.

Mr. TENET. Look at the front end. When we first got on the ground, what became key to us was our ability to penetrate and operate in these local areas, and our military has exquisite knowledge of these local areas. What we have done over time is increase our understanding of organization, people, and individuals. What General Abizaid needs is more human and technical understanding of how these people operate, and we are getting better all the time and it is just an insatiable appetite, that is correct. We have to fill it.

Admiral JACOBY. Senator Lieberman, the other piece of it is intelligence embedded in our military services. General Abizaid's need right now is for people in his brigades and divisions that have the cultural, language, whatever skills that it takes to be able to penetrate at the local level, understand intentions, dynamics, and plans for attacks on his forces.

Sir, we are not where we need to be on the tactical level with those kind of capabilities and so there is an issue there for us to be able to rebuild back into our service structure tactical human intelligence, tactical counterintelligence, some of the other things that allow him to deal with those issues.

Senator LIEBERMAN. Thank you both very much.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator.

Senator SESSIONS.

Senator SESSIONS. Thank you, Mr. Chairman.

Mr. Tenet and Admiral Jacoby, we appreciate your service. I recently had, Mr. Tenet, the opportunity to talk to a young woman employed by the CIA who had volunteered to spend time in Iraq. She tells me that 15 hours a day, 6 days a week, they are working. I know Defense Intelligence is also—there is an intense understanding that the gathering and assimilating and understanding intelligence saves lives of American soldiers. It can eliminate threats on our homeland by your people.

I want to say, I appreciate what they do. They are serving America just as certainly as those who wear the uniform are serving America. In the course of our complaints and second-guessing and roarings about how we can do better, we ought not to in any way forget the valuable contribution that the personnel that you supervise are providing our country.

We also need to be appreciative of the fact that we have gone further than most of us ever thought possible without another homeland attack. That is a fact that is something to celebrate. We know that any day something can happen. It worries us all. I know it concerns you. But we have had that success.

A number of things have been brought to my mind as to what we can do better post-September 11 about our intelligence agencies and work. Number one, I will ask the both of you briefly: Is there better coordination between the agencies? Is there better coordination, and have the changes that I understood you were making that would allow the FBI, CIA, and DIA and other agencies to share information more effectively, are those working?

Mr. TENET. Yes, sir. I think that the creation of the Terrorist Threat Integration Center (TTIC) has proceeded apace. We now have DIA, CIA, and FBI personnel and 14 integrated databases sitting in one place. We have one institution that has primary responsibility for the writing and identifying the foreign and domestic threat. There is a seamless interaction in the analytic piece with both the CIA and the FBI operators.

Is there still room for improvement? Yes, there is. Are we in a much better place than we were 2 years ago? Absolutely. I think that this TTIC and the new information architectures and sharing architectures that we are bringing to bear and the collaboration it

is fostering analytically is a major improvement over where we were a number of years ago.

Admiral JACOBY. Senator, from our standpoint, besides what the Director talked to, the interaction between my agency with the Department of Homeland Security (DHS), FBI, access particularly to the National Security Agency's (NSA) data, and our direct involvement with the U.S. Northern Command (NORTHCOM) out in Colorado Springs as the defense component in the security structure, all of those are new capabilities that are in place and they are all growing and being strengthened.

Senator SESSIONS. One of the things, Mr. Tenet, I think that we perhaps have not thought enough about is the significance of Pakistan's decision when the President challenged Pakistan and urged Pakistan to place its future with peaceful nations and not terrorist nations. Their intelligence network had been criticized as being too friendly to some of these entities.

What is your evaluation, briefly, of the progress we made in the war against terrorism by Pakistan's choosing to be cooperative?

Mr. TENET. I would say, Senator, that it is one of the dramatic strategic shifts that have occurred since September 11 that have allowed us to be successful against a great number of al Qaeda operatives. So you watch the ledger carefully and you watch all of this, but, quite frankly, Pakistani cooperation with us has been absolutely instrumental.

Senator SESSIONS. I think your agency deserves credit for helping make that come about. With regard to A.Q. Khan and the nuclear proliferation, we have talked about nuclear proliferation for decades in this country. Now we find out that in fact, while we were talking about it, we were proliferating from Pakistan to North Korea to Libya to Iran to Iraq, and that has ended, it appears.

Mr. TENET. Sir, there is no evidence of A.Q. Khan's relationship to the Iraqis.

Senator SESSIONS. Those connections have ended with this renunciation by Pakistan and A.Q. Khan?

Mr. TENET. Well, sir, without going into it in open session, there is a lot more in terms of what we did to this network around the world that gives us great comfort that we have done a pretty good job here. There are still some things we have to work on, but let me just leave it at that.

Senator SESSIONS. All right. I think we can conclude at least that part of the network, if his confession is correct, has been significant and that Libya has now renounced that. Do you see significance in Iran's willingness to allow the U.N. inspectors to come in on the nuclear question? Could you evaluate that for us?

Mr. TENET. As I said in my statement, there is good news and bad news. The good news is that the Iranians maintain that there is a low enrichment program there and nothing more. The bad news is that they may also be attempting to conceal something that is worrisome to us. To go from a low yield to a higher yield of uranium enrichment, technically is not very difficult, and from a red line perspective our understanding of it may be difficult.

But look, disclosure is a good thing and we ought to work with it, keep our eye on it, keep our eye on the data and see where it takes us.

Senator SESSIONS. Well, all in all I think there have been a number of things of significance that have been accomplished. I think General Petraeus, our commander of the 101st Airborne in Mosul, said recently that you cannot just put a stake in the heart of terrorism. There is not one heart that you can stick it in that is going to solve this problem once and for all. It will be a long-term struggle and battle.

Thank you for what you do. I believe we have made progress. I think there is more progress to be made.

Thank you, Mr. Chairman.

Chairman WARNER. Thank you, Senator.

Senator CLINTON.

Senator CLINTON. Thank you very much. I apologize, my voice is terrible.

I thank both of you for your service. I think the real crux of the questions comes down to, number one, our support for your efforts, our understanding of their vitality to our well-being, and yet at the same time legitimate questions about our capacity and about the use of intelligence.

I have been troubled in the last couple of days by comments coming from certain sources about whether or not the Iraqi defectors were providing accurate information. Admiral Jacoby, I understand from news reports that the DIA has concluded that almost all the claims made by Iraqi defectors about Saddam Hussein's alleged secret weapons were either useless or false. What is your view of the intelligence on WMD provided by Iraqi defectors?

Admiral JACOBY. Senator Clinton, we could go into detail in closed session. In open session, I would tell you that that news report does not accurately reflect reality. In our opinion, there are some situations where the information has been verified and corroborated through multiple sources. There have been other situations where we believe that information was either fabricated or embellished.

It is a situation that we have in other human intelligence operations where the information spans a pretty broad range of veracity and we need to go into the situation, very much like we do in any human intelligence situation, with our eyes wide open, looking to verify, confirm, and continue to do that even as we work with various sources.

Senator CLINTON. Do you know if any defectors with whom you and your agency dealt with also were given an audience with and worked with Assistant Secretary Feith's Office of Special Plans?

Admiral JACOBY. Senator Clinton, I have no knowledge of that.

Senator CLINTON. You just do not know?

Admiral JACOBY. I just do not know, I am sorry, just to make sure I am clear.

Senator CLINTON. Director Tenet, this week on "60 Minutes" Ahmed Chalabi stated that he wants to come and testify before the Senate Intelligence Committee in open session. I, for one, think that is an invitation we ought to accept. He accused U.S. intelligence of making bad use of the defectors that he steered to us. Specifically, in referencing U.S. intelligence Chalabi said, "I mean the people, the intelligence people, who are supposed to do a better

job for their country and their government did not do such a good job.”

How do you respond to Mr. Chalabi’s statement?

Mr. TENET. Well, Mr. Chalabi is an interesting man. He has an interesting history and I think hearing him would be interesting. I guess I do not have much of a response to it, Senator. We will just leave it at that.

Senator CLINTON. Also on that program it was disclosed that we, I guess meaning the United States Government, I assume through the CIA, is continuing to pay the Iraqi Congress \$350,000 a month.

Mr. TENET. We are not paying them.

Senator CLINTON. Admiral, are you paying them?

Admiral JACOBY. Senator, you have me in a situation where this would be best dealt with in closed session. I could give you details.

Senator CLINTON. Director Tenet, with respect to Zarqawi, who I think you have rightly identified as one of our most dangerous enemies currently, there was a recent report on NBC News in June 2002 that reported U.S. officials say intelligence had revealed that Zarqawi and members of al Qaeda had set up a weapons lab in northern Iraq producing ricin and cyanide and that the Pentagon quickly drafted plans to attack that camp with cruise missiles and air strikes and sent it to the White House, where, according to U.S. Government sources, the plan was debated to death in the NSC.

Four months later, intelligence showed Zarqawi was planning to use ricin in terrorist attacks in Europe. Again, the Pentagon drew up a second strike plan and the White House again killed it.

Did we miss an opportunity to get Zarqawi?

Mr. TENET. I read the same newspaper report. I do not know that Zarqawi was up there at the time, Senator. I do not know that the report accurately reflects the give and take of the decision-making at the time. So I will just leave it at that in open session.

Senator CLINTON. Also, with respect to this continuing question about the quality of intelligence—and I do think that, frankly, the people we should be talking to in closed, open, or any session are the people who are the policymakers, because I think you have made very clear what you have tried to do with respect to providing intelligence. But I was struck by a comment by Mr. Kay that was reported in the British newspaper The Guardian last Wednesday. Mr. Kay said, it was time “for President Bush to come clean with the American people and admit that he and his administration were wrong about the presence of WMD.”

Dr. Kay went on to say that he was worried that our intelligence would lose credibility, not only among our allies, but I would assume among others as well, and concluded by saying: “The next time you have to go and shout there is fire in a theater, people are going to doubt it.”

I do not think any of us on this committee doubt the seriousness of the attacks we face and I am personally very grateful and impressed with all the work that has gone on to roll up networks and diminish their effectiveness. But it is a legitimate point that Dr. Kay makes, that if we are going to be waging an ongoing struggle against terrorism it is clear that we have to rely on intelligence and we have to persuade others of the intelligence.

Do you have a response to Dr. Kay’s comment?

Mr. TENET. Yes. I would say, Senator, first of all, whether we are wrong or right is an important professional judgment for us to reach. That is why we are going through all of this. I would say that we are not—and I have said publicly—we are not going to be all wrong or all right. We have to critically—and we are and the committees are—assess every bit of intelligence that we have collected, what our shortfalls were.

I tried to get up in a public statement at Georgetown and basically say, here is my bottom line today, here is what I think was good, here is what I think did not work so well, here is where I think we are in all of these major issues. There is no other community of people that take this as seriously as we do. Our credibility matters. It matters on terrorism and proliferation and other issues.

So open, honest debate, telling the truth, standing up when we come to conclusions, is what we are about in this country. Many of our allied services, quite frankly, saw this the same way as we saw it. We were all playing off the same sheet music. Well, that is just not good enough. In this society we have to give people the confidence that we know what we are doing.

If we were in error, we have to be willing to stand up and say so. The only thing I say is, I think that the men and women on the ground in Baghdad who work at the ISG, who I visited 2 or 3 weeks ago, do not believe their job is done. They still think they have a lot of work to do, and I think we need some patience to find out the additional data that they will give us, and we will report it honestly.

Senator CLINTON. Thank you.

Chairman WARNER. Thank you very much, Senator.

Senator Chambliss.

Senator CHAMBLISS. Thank you very much, Mr. Chairman.

I intended to really get into something else, but because of the line of questioning of Senator Levin and Senator Kennedy, Director Tenet, I want to make sure that we have something perfectly clear in the record. As DCI, you are the person responsible for providing the President of the United States with the intelligence that has been gathered relative to any threat to America; is that correct?

Mr. TENET. Yes, sir, that is correct.

Senator CHAMBLISS. You provide the President with a briefing on a daily basis relative to the information that has been gathered under your direction, the analysis of that information, and the correctness or your best judgment as to that information; is that correct?

Mr. TENET. I do.

Senator CHAMBLISS. Now, by comparison, you say you do this on a daily basis, and this is George Tenet, the Director of the CIA, giving that briefing; is that correct?

Mr. TENET. That is correct, along with the briefer.

Senator CHAMBLISS. By comparison, did you provide that same type of daily briefing to President Clinton?

Mr. TENET. No. The former president took his daily briefing and read it and provided us extensive comments. He was a reader. He took his daily briefing differently. Different styles for different people. But he was very responsive to us and wrote us a lot of questions and certainly was steeped in what we wrote to him.



Senator CHAMBLISS. By the same token, he received daily briefings just the same as you are giving this President?

Mr. TENET. Yes, sir.

Senator CHAMBLISS. Just in a different form?

Mr. TENET. Yes, sir.

Senator CHAMBLISS. Now, in October 2002 a document called the NIE, a declassified copy of which I hold in my hand, was prepared by you or under your direction; is that correct?

Mr. TENET. Yes, sir.

Senator CHAMBLISS. At the time that document was prepared, did you feel that all the statements in that document were true and accurate?

Mr. TENET. Sir, our community coordinated on this and our community's best judgment was these were our best judgments. This is what we believed to be true.

Senator CHAMBLISS. Was there anything in that document that was intended to be or was in your opinion misleading or inaccurate?

Mr. TENET. Well, no, sir. At the time we wrote the document I thought we wrote an accurate document. We have since been providing our oversight committees—we have gone back and shown them places where we think we could have been more technically correct. Obviously, now that we are on the ground in Baghdad and finding things out, we are reevaluating the document from that perspective as well.

Senator CHAMBLISS. I do not want to read the whole document, but I want to read the first sentence under "Key Judgments," which is the first paragraph: "Iraq has continued its weapons of mass destruction programs in defiance of U.N. resolutions and restrictions. Baghdad has chemical and biological weapons, as well as missiles with ranges in excess of U.N. restrictions. If left unchecked, it will probably have a nuclear weapon during this decade."

On that same page, under the section of "Nuclear Weapons," this document says: "If Baghdad acquires sufficient weapons-grade fissile material from abroad, it could make a nuclear weapon within a year."

Again, at the time that document was prepared in October 2002 you felt like those facts were true and accurate; is that right?

Mr. TENET. Yes, sir.

Senator CHAMBLISS. Intelligence is an ongoing process, is it not? You gather something today, it may change down the road. I think you adequately expressed that.

Was this the information that you, George Tenet, as Director of the CIA, passed on to the President of the United States on a regular daily basis?

Mr. TENET. Yes, it was.

Senator CHAMBLISS. Now, I want to move on to something else. Following September 11—this I direct to both of you. Following September 11 there were a number of deficiencies that were pointed out to exist within the Intelligence Community. Just highlighting a couple of these, there were problems in gathering intelligence. We know we had some deficiencies on the human side. We know that there was a lack of linguists to be used in interpreting or im-

mediately finding out what exactly the messages were that we were intercepting.

We know there was a shortage of analysts, and both of you know that I was primarily concerned with the problem regarding information-sharing between our intelligence agencies.

Now, to each of you: In the period from September 11—or leading up to September 11—to the time that we engaged in the conflict in Iraq, what changes were made in your respective agencies relative to these deficiencies in the Intelligence Community, and how did that benefit you in providing information relative to WMD in Iraq?

Mr. TENET. Well, sir, in each of the areas, on the human intelligence front I think we would say, without going very far here, that we have made important strides in penetrating terrorist organizations. I would say, with regard to linguists, this is still a problem for the Intelligence Community. We all have programs in place to recruit, train, and increase language programs. This is a tough nut. We are still not where we need to be on languages, although we are working quite hard at it.

In terms of a shortage of analysts, we are in better shape today than we were 2 years ago, sir. But we still have—and it is reflected in the President's budget request—a significant augmentation of analysts over the next 5 years. We need more people to do these jobs. On information-sharing, I would say, as we described previously, we are in better shape than we were. TTIC, information-sharing, integration with the FBI, as Admiral Jacoby has said, all that is in better shape. There is still a ways to go, to be sure, particularly with connectivity with States and locals and pushing data out to the rest of the country. That is a homeland security responsibility. But I think in all of these areas we are in better shape.

Admiral JACOBY. Senator, I join the DCI on the human intelligence comments. On linguists, we are for the first time probably in DIA's history in a situation where we can hire significant numbers of analysts. It is the beginning of the turnover of the people coming to retirement age and growth and so forth.

I am very heartened by not only the number of people that we are attracting to the DIA, but the breadth of language skills and depth of the language skills in some of what we call the low density languages that are so important for the world of today and the world of the future—young people who have lived overseas, maybe studied overseas, and have near-native skills. So I think we are in a situation here where we are seeing a far quicker improvement than I might have anticipated.

Our analyst growth since September 11 basically has been in the counterterrorism area. We took a view that we are in this for the long haul and we are hiring and developing analysts with that kind of view. We are right on track and I am very heartened by the skills and capabilities that we have in people that we brought on board as part of that program.

However, we have had very little growth except for specific targeted growth in analytical skills and other areas. For instance, you might know we targeted China for growth. Well, there are other areas that you will see in our request to do the same kind of targeting long-term, to focus growth in other areas.

In the information-sharing area, things are significantly improved, and I continue to push very hard personally and as the head of Defense Intelligence for the application of modern information management techniques that will allow us to work, our analysts to work much better in that large mass of data than the way we have information organized today.

So I would offer that as an area that needs to be folded into the information-sharing discussion. It is a place where we can leap forward very quickly, I believe.

Senator CHAMBLISS. Mr. Chairman, I know my time has expired, but if I could take 30 seconds just to say to these gentlemen, and I said it in closed session the other day in the Intelligence Committee: We criticize you all the time and that is part of our job, to do oversight. But when you do something right, we tend not to commend you. Based upon the work that you have done in improving each of your respective agencies over the last almost 2½ years now, I guess, since September 11, as well as the work that you have done before, the job that you did in providing intelligence, gathering intelligence, analyzing it and putting boots on the ground to capture Saddam Hussein, it shows how far our intelligence agencies have come. I commend both of you for working very closely together, as I know you did in that exercise, to make sure that your plan came together exactly as it was devised.

So thank you for the job that you are doing.

Chairman WARNER. Thank you very much, Senator.

Senator REED.

Senator REED. Thank you, Mr. Chairman.

Mr. Tenet, I want to pick up on a line of questioning the chairman started and Senator Kennedy also amplified about your role as you perceive it. Do you believe that when there is a disagreement among intelligence agencies or analysts, which is often the case, that the administration can pick whatever opinion they think is most convenient and that you have no public obligation to correct that view?

This is particularly, I think, interesting in the context of many statements the Vice President made on "Meet the Press" in March 2003: "We believe he has in fact reconstituted nuclear weapons." I do not know if that factual conclusion had been reached by an intelligence agency. "Meet the Press" in 2002: "We do know with absolute certainty that he is using his procurement system to acquire the equipment he needs in order to enrich uranium, to build a nuclear weapon. With absolute certainty."

What is your role?

Mr. TENET. Sir, my role is to report the intelligence, and if I think a senior policymaker has strayed, assuming that I am listening to everything that everybody says, which I do not do, I will go in and talk to them about what we think, the divisions of opinion, how this is more correctly stated, and leave it at that. That is my job.

Senator REED. So I presume you watch "Meet the Press"?

Mr. TENET. Well, I usually do not, sir.

Senator REED. Well, Tim Russert is disappointed.

Did you correct the Vice President's statement privately?

Mr. TENET. I do not know that I did in this instance. I do not know that I listened to it or was made aware of it.

Senator REED. So no one made you aware that the Vice President of the United States said that with absolute certainty we know that Iraq is reconstituting its weapons procurement system at least; and then, right before military operations, said as a fact they have reconstituted their nuclear weapons?

You were not aware of that?

Mr. TENET. Our NIE did say that he is reconstituting his nuclear program.

Senator REED. As a fact.

Mr. TENET. We said in our "Key Judgments" that he is reconstituting.

Senator REED. Well, the opinion again of the State Department Bureau of Intelligence Research (INR) in October 2002 was that this was not entirely factually confirmed. But also, I think just that week it appeared that the IAEA had concluded that they had not found any evidence, and they apparently were on the ground.

Mr. TENET. Our intelligence judgment on the reconstitution question is all agencies except INR believed he was reconstituting his nuclear weapons program. DOE, which did not believe aluminum tubes were being used in this enrichment effort, still believed he was reconstituting his nuclear weapons program on the basis of his other procurements, the assembly of scientists, other issues that are clearly spelled out in the NIE.

So we did take the position in the NIE that he was reconstituting.

Senator REED. But you indicated that even if you took a contrary view, you would not publicly say anything at all?

Mr. TENET. Sir, I do not do my job that way. That is not how I—I do not think a Director—I do my job the way I have done it for 7 years, and if I am aware of something needs to be corrected I go correct it.

Senator REED. Can I return to the Cheney quote. It was: "We believe he has in fact reconstituted nuclear weapons." Not "a nuclear weapons program," not "a program," but "nuclear weapons."

Mr. TENET. No one said he had a nuclear weapon.

Senator REED. Pardon?

Mr. TENET. We did not say he had a nuclear weapon. We in our NIE said we do not believe he has one. It would take him 5 to 7 years. If he had fissile material, we think he could get there within several months to a year.

Senator REED. But this says, "We believe he has in fact reconstituted nuclear weapons." You were unaware of that statement, or you did not make any attempt to correct that statement?

Mr. TENET. Well, sir, I am told the Vice President may have corrected that statement himself. I was not aware at the time, no.

Senator REED. When did he correct the statement?

Mr. TENET. Well, apparently, I am told, he later said he misspoke and he meant to say "programs." I do not know that personally.

Senator REED. Mr. Tenet, again I am just troubled that these statements would be made and that you have no recollection of pri-

vately counseling the Vice President and certainly no record publicly of doing it until much after the fact, and it is troubling.

Let me turn to another topic. Having listened to your presentation about the worldwide threats, it could be I think concluded from your remarks that, while we are bogged down in the Iraq, an agile, decentralized, and ruthless enemy plots against us worldwide.

Mr. TENET. Yes, an enemy that we are covering very well and we have good knowledge of because we have maintained a very healthy counterterrorism operation.

Senator REED. There is no conflict in terms of resources or personnel?

Mr. TENET. The conflict, Senator, comes in other parts of the world. As I said previously, Iraq and the worldwide war on terrorism and proliferation are the highest priorities. There are one or two others that I do not want to talk about in open session. The sacrifice we are making to cover these is occurring in global coverage in other places. But in terms of our laser-like focus, we have not taken or diverted anything from the war on terrorism.

Naturally, linguistic skills become an issue because it is the same Arabists. The pool is limited. But our focus is very important in both of those areas.

Senator REED. So your focus is worldwide, but the thrust of your comments were almost entirely dedicated to the situation in Iraq, the stakes in Iraq. It seems again to me that you are committing huge resources. You recognize the worldwide threat.

Mr. TENET. Yes.

Senator REED. But you are committing huge resources, both political in terms of the administration and also logistical by the CIA, to an area which does not fully counter this worldwide threat.

Mr. TENET. Well, I do not think that is true. I have an Ansar al-Islam network and a Zarqawi network that are part of this network. They are part of the war on terrorism inside Iraq.

Senator REED. When did they enter Iraq?

Mr. TENET. Mr. Zarqawi was in Iraq well before hostilities, where he had a couple of dozen Egyptian Islamic Jihad (EIJ) operatives. The Ansar al-Islam was operating up in Kermal well before the hostilities. So we have this network and his organization, back and forth over borders, operating well before we went into Iraq.

Senator REED. Well, my time has expired, but it is I think—

Chairman WARNER. Senator Cornyn, before you speak I would like to take a moment of your time. It has been my privilege to serve on this committee for over 25 years. Prior thereto I spent more than 5 years in the Department of the Navy and the Navy Secretariat. I have dealt with every national security adviser beginning with Secretary of State Kissinger, who previously was the security adviser to President Nixon.

I can tell you, it has been my experience that Mr. Tenet has performed his services consistent with his predecessors, be they under Democratic administration or Republican administration. It is a confidential relationship between the DCI and the President and the Cabinet officers. I think when he makes his statement, that is

my job, that in my opinion is consistent with his predecessors. It is a confidential relationship.

He has stated very clearly that there are times when he felt the necessity to express his views, which may well have been at variance with the policymakers. But in the end he is not their keeper.

Senator CORNYN.

Senator CORNYN. Thank you, Mr. Chairman.

Director Tenet, Admiral Jacoby, thank you for your service.

In reflecting back on the state of knowledge of the Intelligence Community, back just months and maybe a couple of years ago, certainly at a time when everyone agreed that Saddam was a gathering threat to the security of this country in terms of proliferation of WMD, the vice chairman of the Senate Intelligence Committee, the current vice chairman, made this comment. He said:

"Saddam's existing biological and chemical weapons capabilities pose real threats to America today and tomorrow. Saddam has used chemical weapons before, both against Iraq's enemies and against his own people. He is working to develop delivery systems like missiles and UAVs that could bring these deadly weapons against U.S. forces and U.S. facilities in the Mideast. He could make these weapons available to many terrorist groups and third parties which have contact with his government. Those groups in turn could bring those weapons into the United States and unleash a devastating attack against our citizens. I fear that greatly."

That statement, made by the current vice chairman of the Senate Intelligence Committee on October 10, 2002, would you characterize that as the best judgment of the Intelligence Community at the time, Director Tenet, Admiral?

Admiral JACOBY. Sir, I believe the best judgments of our community are as stated in the NIE and I think pretty concisely laid out there.

Senator CORNYN. Director Tenet?

Mr. TENET. I think it comports with what we said in our NIE.

Senator CORNYN. We all know that terrorism did not begin on September 11, and there had been previous attacks against this country, one of which was the bombing of the World Trade Center in 1993. In 1994 there was an attempt made here in the United States Congress to cut the intelligence budget by \$1 billion, in 1994, 1 year after the World Trade Center bombing. In 1995 there was another proposal made here in the United States Senate to cut the intelligence budget by \$1.5 billion.

Could you please characterize, Director Tenet, what kind of impact cuts of that magnitude would have had on our ability to conduct intelligence operations?

Mr. TENET. Sir, depending upon whether they were enacted and how the cuts were taken, obviously resources are important to us. A billion dollars in our business in that time period was a lot of money and probably would have been very hurtful.

Senator CORNYN. Admiral Jacoby.

Admiral JACOBY. Sir, we were in Defense Intelligence, and now talking more broadly than just DIA, coming out of the early 90s peace dividend period, where a significant amount of intelligence force structure was cut. So if we would have been taking those

kinds of cuts then in the mid-90s it would have compounded the problem significantly.

Senator CORNYN. The specific proposal that was made in 1995 would have cut \$300 million for each of the fiscal years 1996, 1997, 1998, 1999, and 2000. What I understand each of you two gentlemen to be saying is it would not have been helpful. It would have been hurtful to our country's ability to conduct essential intelligence operations.

Mr. TENET. We would agree with that, sir.

Senator CORNYN. Director Tenet, in your speech at Georgetown you noted that, "Unfortunately, you rarely hear a patient, careful, or thoughtful discussion on intelligence these days." Of course, that is even more true during the presidential election season.

But in fact, do you agree that, as characterized earlier, Saddam fully intended on reconstituting his WMD programs, whatever it is they were?

Mr. TENET. Sir, I think what our NIE said is we judge that he is continuing his WMD programs in defiance of U.N. resolutions and that he has chemical and biological weapons as well as missiles with ranges in excess of U.N. restrictions, and the judgments are clearly stated out. Those were the judgments of our community in October 2002.

Senator CORNYN. When Dr. Kay testified before this committee, I asked him about the risk of a willing seller meeting a willing buyer of such weapons, whether they be large, small, or otherwise, and asked him whether he considered that to have been a real risk in terms of Saddam's activities, the risk of proliferation. Dr. Kay said, "Actually, I consider that to be a bigger risk than"—interpolating here; he said "the stockpiles." He said: "Actually, I consider it a bigger risk." That is why I paused on the preceding question. He said, "I consider that a bigger risk than the restart of his program being successful."

Admiral Jacoby, do you agree with Dr. Kay's statement in that regard?

Admiral JACOBY. Sir, one of my major concerns, frankly, is the proliferation of the knowledge base. The risk of having scientists that worked on various programs available for movement to other areas or for involvement in an extremist network that has this sense of goals is a concern that we ought to all have very clearly in mind.

Senator CORNYN. Director Tenet, would you comment, please?

Mr. TENET. Obviously, secondary proliferation in this context is something that worries us. I do not know that I worry about it less than the existence of these weapons, but obviously the transport of things over borders and the sale of things to individuals, whether they be terrorists or other people, would be of enormous concern as well.

Senator CORNYN. Thank you very much, gentlemen.

My time has expired. Thank you, Mr. Chairman.

Chairman WARNER. Thank you very much, Senator.

Senator Pryor.

Senator PRYOR. Thank you, Mr. Chairman.

I want to join my colleagues, Director Tenet, in thanking you for your public service. When I think of all that you have on your

plate, things going on in Iraq, Afghanistan, the global war on terrorism, Haiti, Israel, Palestine, North Korea—we could go down the list—it reminds me of an old saying in Arkansas, that I feel like you have more poured out than you can smooth over. You really do have a full plate, and we do appreciate your public service.

Mr. Tenet, you filed a report, an inquiry to the FBI in July 2003 regarding a leak by senior administration officials over the revealing of the name of an undercover CIA agent. The first question I have for you on that is, can you advise this committee on the impact that that leak has had on morale in your agency?

Mr. TENET. Well, obviously, sir, our folks take their standing and their classified status and their operational status quite seriously. So it was a worrisome event.

Senator PRYOR. Can you tell the committee today of the impact that that leak has had on your agency in gathering intelligence?

Mr. TENET. Sir, I cannot make any dramatic judgments about that. I think we are on our way with our work.

Senator PRYOR. I know that you initiated an internal damage assessment. Can you talk about that in open session?

Mr. TENET. No, sir, I cannot.

Senator PRYOR. Is that better held until a closed session?

Mr. TENET. Yes.

Senator PRYOR. I know that there is a grand jury investigation led by U.S. Attorney Fitzgerald, and, if you can say, has the CIA turned over all documents and granted all interviews requested by the U.S. Attorney?

Mr. TENET. I assume we have, sir, but I am not involved in it. I believe we have.

Senator PRYOR. You do not know of anything you have not fully cooperated with?

Mr. TENET. My General Counsel tells me that we have turned over all documents that were required.

Senator PRYOR. Great. Thank you.

I am sure you have noticed in the last few days that Mr. Blix has been in the news again. This time he was, I guess you can say, critical of Tony Blair and basically he, in trying to frame this up, said that he felt like Prime Minister Blair lacked critical thinking when it came to deciphering intelligence and trying to make policy decisions. As I understand it, there was not uniform intelligence-gathering that there were WMD in Iraq, that there was some possibly—I think you mentioned this in answer to some of the other questions—that there were possibly some scientists and defectors that had said that there were not WMD and there was not an active program there.

But here is my question. In a sense, the prewar intelligence and the events leading up to the war in Iraq really pitted our intelligence against the inspectors that Hans Blix had overseen. Now, knowing what you know and looking back on it, having the perspective of a little bit of time that has passed, were the inspectors right after all? Is it your view that Saddam Hussein did not have an active WMD program?

Mr. TENET. Well, I do not know that it pitted us against the inspectors, Senator, since I think we were trying to help the inspectors. But I do not have—I do not know that the inspectors have



concluded in some formal way that he did not have weapons. I know that there was a report filed, but I also know that the inspectors noted their concerns about discrepancies with the data declaration that was provided and their concerns they had going back to 1998. There were many unresolved issues on the part of Saddam with regard to the U.N. inspection.

So I am not aware that there is some formal piece of paper out there that they have filed with us that said he did not have any weapons.

Senator PRYOR. That may be fair.

Let me jump countries if I can and ask about Afghanistan. One of the things I am disturbed about—as I know other members of this committee are—is the rapid increase in opium and poppy production in Afghanistan. To me that seems to be not only possibly a result of the lawlessness in Afghanistan, but also it seems to be something that will lead to more lawlessness and have a destabilizing effect on that country. I can see where it would create a black market and also it would create drug lords and foster organized crime there.

I would like to hear your thoughts on the ramifications of the increased poppy production in Afghanistan.

Mr. TENET. This opium production obviously has a major impact in Europe where this heroin shows up. There is great concern there. One of the things that everybody acknowledges is that when the Karzai government extends its writ, is able to move reconstruction out into the provinces, that obviously we want to—our first priority, Senator, is obviously we are still dealing with remnants of the Taliban and security, moving the government and extending its writ. Obviously this is something we are going to have to come to with Karzai in a unified approach.

Maybe it is changing of crops, maybe it is other things we are going to have to do. But it is something you are going to have to deal with much more vigorously over the course of time. Given the range of challenges he has at this moment—I am not suggesting it is unimportant. I am suggesting we have to get there in some methodical way where he can deal with it and we can help him.

But it has to be his government taking it on, and that may involve economic assistance to these areas. It obviously will involve a bigger army than he has today. It obviously will involve extending his writ to these places.

So we are making progress on all these fronts, but it is not satisfactory to say, yes, we still have this problem and we recognize that we have to get here with them.

Senator PRYOR. Are you concerned that it will have a destabilizing effect on Afghanistan?

Mr. TENET. Sir, money, organized crime, you know what happens in places. What we do not want is on the basis of this production and money for alternative power centers to emerge or warlords to be empowered at the expense of the central government because of their involvement in this trade. So it is something we have to worry about.

Senator PRYOR. Mr. Chairman, that is all the time I have. Thank you.

Chairman WARNER. Thank you very much.

Senator Dayton.

Senator DAYTON. Thank you, Mr. Chairman.

Director Tenet, Admiral, I have been consistently impressed with your veracity in the information you presented to me in both open and closed sessions. I thought that your information prior to the commencement of the war was couched in probabilities and a range of possibilities that I was concerned in some instances were either dropped from further assertions or expanded beyond the scope of what you had provided to us.

Apropos of that, you said in your speech at Georgetown that we had no specific information on the types or quantities of weapons—I think you were referring to biological weapons—agents, or stockpiles at Baghdad's disposal. Yet, in February 2003 Secretary of State Powell in a speech to the United Nations stated the administration's conservative estimate was that Saddam possessed 100 to 500 tons of chemical weapons agent. The President himself said in October 2002 in Cincinnati that Iraq had a massive stockpile of biological weapons.

But neither your comment at Georgetown nor the NIE report of October 2002 made that assertion of quantities stockpiled.

Mr. TENET. I believe we posited the chemicals with the precision that you posited it, and I do not believe we posited or made a judgment on stockpiles of biological weapons.

Senator DAYTON. You posited the stockpiles of chemical weapons were of the amount that the Secretary stated at the U.N.?

Mr. TENET. I think I have just captured it correctly.

Senator DAYTON. You referenced the President's State of the Union Address, and the one clause there that caused such a later dismay. But as I recall, that clarification or retraction was not made until June of that year, 5 months after it was uttered, and there were several reports that there was an internal discussion that commenced even in March of that year about the accuracy there, but it was not publicly acknowledged by the White House until 5 months after the State of the Union.

Is that your recollection?

Mr. TENET. I do not recall the timing. I know that I made a public statement in I think July of that year. I am not certain, but that is the time frame I made my public statement.

Senator DAYTON. Six months afterwards.

Linkage has been asserted with al Qaeda going back to even September 11. It was alluded in various references that were made. It was one that I do not recall was ever asserted by you or your agency, and in fact I think that al Qaeda leaders reportedly told interrogators in Guantanamo that there was not any partnership between bin Laden and Saddam. Yet that has been an assertion that has continually been made.

Mr. TENET. Sir, in testimony before this committee we posited contacts, training, and safe haven as the issues that we raised at the time when we published our paper. We testified up here in October and November and then we published a paper in January 2003. I believe in questioning either in this committee or the Senate Intelligence Committee, we talked at length about our concerns about Zarqawi, who we posited to be a senior associate and collaborator of al Qaeda, documented his reported role in the Foley assas-

sination, his operations in Baghdad in the summer of 2002. I think I said publicly in one of these committees that we did not have command and control between these individuals and the regime.

Senator DAYTON. So when the President said in November 2002 that Saddam was “dealing with” al Qaeda, and at the U.N. Secretary Powell said that there was “a sinister nexus,” between the Iraqi dictator and al Qaeda, and aboard the U.S.S. *Abraham Lincoln* on May 1 the President called Saddam “an ally” of al Qaeda, were those accurate reflections of the information that you were providing?

Mr. TENET. I think the information of concern at the time went to contacts with Iraqi regime members going back to the mid-1990s, training that had been provided by the Iraqi regime.

Senator DAYTON. The President said that Saddam was dealing with al Qaeda.

Mr. TENET. Well, if they provided training, sir, that would be dealing with.

Then the whole question of the safe haven and the fact that these people could operate in Iraq—I think I said in testimony before this committee it was inconceivable to me that Zarqawi and two dozen FIJ operatives could be operating in Baghdad without Iraq knowing, although I posited we did not know about command, control, and sustenance. So the safe haven argument.

Senator DAYTON. In your speech at Georgetown you said that your analysts never concluded that Iraq was “an imminent threat.” Is that your composite assessment?

Mr. TENET. Sir, we did not—we believed and stated, and as I think the follow-on line in the Georgetown speech says, we believed that Saddam was continuing his efforts to deceive and build programs that might constantly surprise us.

Senator DAYTON. Was he an imminent threat?

Mr. TENET. We did not say that.

Senator DAYTON. You did not say that. Yet I would certainly assert that we were led to believe by others, I think the American people were led to believe, the reason we went into Iraq and started that engagement was because he constituted by all available preponderance of evidence an imminent, urgent threat to our national security. I do not fault you for that, because I do not think you did make that assertion. But others certainly did.

Can I just clarify one point that was made earlier by Senator Cornyn. You have a budget that is obviously classified, but with reference to the contemplated or conceptualized \$1.5 billion, which Senator Cornyn acknowledged was a \$300 million reduction in the proposed budget or the increase in the budget for each of 5 years, would 1 percent, if that is the approximate number based on published reports, reduction in your budget for each of the 5 years, would that “gut” your agency and your intelligence-gathering capabilities?

Mr. TENET. Sir, it comes from—I guess the perspective I would have to bring is, tell me where you are taking it from? What is my base?

Senator DAYTON. As far as I know, that was not specified. But hypothetically, would a 1-percent reduction in your budget for each

of 5 years “gut” your agency and its intelligence-gathering capabilities?

Mr. TENET. Let me say that in the mid-1990s it would not have been helpful.

Senator DAYTON. Would it have gutted, in that vernacular?

Mr. TENET. Sir, obviously no \$300 million cut is going to gut your intelligence capability. But cumulatively—

Senator DAYTON. Thank you.

Chairman WARNER. Thank you very much, Senator.

Senator Bill Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman.

Mr. Director, I have been in the middle passing messages back and forth after my visit with President Assad in Syria about my concerns with the jihadists going across the border and killing our boys and girls. There was an offer there which has been appropriately passed on to the respective people of cooperation.

My question to you or to the Admiral would be: In your professional judgment, do you think cooperation between Syria and the United States could seal that border to any significant degree and prevent jihadists from going across?

Admiral JACOBY. Senator Nelson, clearly it is a long, porous border. That said, it is our view that Syria could do far more than they are today to close off at least major crossing points or put better inspection regimes in place and significantly slow the movement.

Senator BILL NELSON. Thank you for your professional opinion, and I would suggest that you pass that on, your professional opinion, to the respective people in the administration.

Now, I want to get back to something I was told that turned out not to be complete information. Understand that my questions are not adversarial. I am trying to be constructive, because this should not happen in the future, where I was led to believe one thing and made judgments upon that having to do with national security questions. It has been hashed out. Everything I am going to say has already been in the press.

The question of UAVs, the question that there was an imminent threat to the interests of the United States of Saddam putting them on ships in the Atlantic off the eastern seaboard, the fact that it has been reported in several of the press outlets that software had been accumulated of maps of the eastern United States. I was told that in several briefings. I cannot remember all the briefings, but usually they were in S-407.

But I was not told that there was a dispute in the Intelligence Community, and what I found out after the fact was that Air Force intelligence, which would know more about UAVs than other folks, totally disputed the veracity of that claim. But that is not what I was told.

So it is a constructive question on my part to get both of you to respond.

Mr. TENET. Yes, sir. First of all, Air Force said in our key judgments in the NIE with regard to this—we have two phrases. You know them: “An Iraqi procurement network attempted to procure commercially available route planning software,” and it goes on and on. Then in the “Key Judgments” it says: “The Director of Intelligence, Surveillance, Reconnaissance, Air Force, does not agree

that Iraq is developing UAVs primarily intended to be delivery platforms for chemical and biological weapons. The small size of the new UAVs strongly suggests a primary role of reconnaissance, although a chemical, biological weapon delivery is an inherent capability."

That was the full judgment and you should have been told that.

Senator BILL NELSON. What you just read in the NIE I have subsequently found out was in the NIE. But that is not what I and others were told in S-407. There was no statement that there was a dispute in the Intelligence Community.

Admiral JACOBY. Senator, I do not know which briefings—

Senator BILL NELSON. Well, this would have been the briefings prior to the vote on the resolution.

Admiral JACOBY. The discussion in the NIE—frankly, I carried that water. Air Force, as you so properly characterized, is the center of excellence for UAVs within DOD. So there was quite a bit of discussion. I do not know that it was a dispute so much as one of inherent capability versus primary capability versus principle mission. But I thought that it was laid out quite clearly both in the unclassified and the classified version of the NIE.

Senator BILL NELSON. Well, we do not make recordings of those briefings and so there is not going to be any way to prove it. But I poked and probed. Again I tell you, Mr. Director, that I am saying this in a constructive way, because if one Senator thought that there was an imminent threat to the interests of the United States with UAVs dropping WMD on eastern seaboard cities and yet there was a dispute in the Intelligence Community, we have to make clear in the future the fact that there is a dispute in the Intelligence Community.

Mr. TENET. Sir, I agree with that. There is no dispute about that. I will also say to you that in the context of this procurement and the individual involved, what we learned from our penetration of that network, his previous affiliation, where he worked—obviously I cannot do this in open session, but I was really concerned about it. I did not do the S-407 briefing, I do not believe, but I was very concerned about this case.

I believed it was appropriate to warn. You should have been told that they did not believe, Air Force did not believe, it was primarily intended, although they acknowledged the inherent capability. There were another set of factors here that were quite serious in my view at the time, but that does not eliminate the importance of what you have said to us.

Senator BILL NELSON. Well, I have noticed as I have been sharing my thoughts with you that there have been several quizzical expressions on the faces of your staff there. I want you to know that ever since this was made public in the newspapers, where I could speak about it publicly I have been railing on this, so there should be no surprise that this Senator wants to make sure when there is a dispute in the future—in my part of the country where I come from, we take a person at their word. If there had been any question I would have gone and gotten that NIE and looked at it. But that is clearly not the impression that I had.

Mr. TENET. Yes, sir.

Chairman WARNER. Thank you, Senator.

Senator Levin.

Senator LEVIN. Just a couple questions, Mr. Chairman, because I know you are trying to get to a closed session.

This has to do with an article that appeared last November in The Weekly Standard.

Mr. TENET. Yes, sir.

Senator LEVIN. We made reference to it before and you indicated before that you were not familiar with it.

Mr. TENET. Sir, I am not familiar with the article, but I am familiar with the issue.

[The information referred to follows:]



#### Case Closed

From the November 24, 2003 issue: The U.S. government's secret memo detailing cooperation between Saddam Hussein and Osama bin Laden.

by Stephen F. Hayes

11/24/2003, Volume 009, Issue 11

**Editor's Note, 1/27/04:** In today's Washington Post, Dana Milbank reported that "Vice President Cheney . . . in an interview this month with the Rocky Mountain News, recommended as the 'best source of information' an article in The Weekly Standard magazine detailing a relationship between Hussein and al Qaeda based on leaked classified information."

Here's the Stephen F. Hayes article to which the vice president was referring.

-JVL

OSAMA BIN LADEN and Saddam Hussein had an operational relationship from the early 1990s to 2003 that involved training in explosives and weapons of mass destruction, logistical support for terrorist attacks, al Qaeda training camps and safe haven in Iraq, and Iraqi financial support for al Qaeda--perhaps even for Mohamed Atta--according to a top secret U.S. government memorandum obtained by THE WEEKLY STANDARD.

The memo, dated October 27, 2003, was sent from Undersecretary of Defense for Policy Douglas J. Feith to Senators Pat Roberts and Jay Rockefeller, the chairman and vice chairman of the Senate Intelligence Committee. It was written in response to a request from the committee as part of its investigation into prewar intelligence claims made by the administration. Intelligence reporting included in the 16-page memo comes from a variety of domestic and foreign agencies, including the FBI, the Defense Intelligence Agency, the Central Intelligence Agency, and the National Security Agency. Much of the evidence is detailed, conclusive, and corroborated by multiple sources. Some of it is new information obtained in custodial interviews with high-level al Qaeda terrorists and Iraqi officials, and some of it is more than a decade old. The picture that emerges is one of a history of collaboration between two of America's most determined and dangerous enemies.

According to the memo--which lays out the intelligence in 50 numbered points--Iraq-al Qaeda contacts began in 1990 and continued through mid-March 2003, days before the Iraq War began. Most of the numbered passages contain straight, fact-based intelligence reporting, which in some cases includes an evaluation of the credibility of the source. This reporting is often followed by commentary and analysis.

The relationship began shortly before the first Gulf War. According to reporting in the memo, bin Laden sent "emissaries to Jordan in 1990 to meet with Iraqi government officials." At some unspecified point in 1991, according to a CIA analysis, "Iraq sought Sudan's assistance to establish links to al Qaeda." The outreach went in both directions. According to 1993 CIA reporting cited in the memo, "bin Laden wanted to expand his organization's capabilities through ties with Iraq."

The primary go-between throughout these early stages was Sudanese strongman Hassan al-Turabi, a leader of the al

Qaeda-affiliated National Islamic Front. Numerous sources have confirmed this. One defector reported that "al-Turabi was instrumental in arranging the Iraqi-al Qaeda relationship. The defector said Iraq sought al Qaeda influence through its connections with Afghanistan, to facilitate the transshipment of proscribed weapons and equipment to Iraq. In return, Iraq provided al Qaeda with training and instructors."

One such confirmation came in a postwar interview with one of Saddam Hussein's henchmen. As the memo details:

*4. According to a May 2003 debriefing of a senior Iraqi intelligence officer, Iraqi intelligence established a highly secretive relationship with Egyptian Islamic Jihad, and later with al Qaeda. The first meeting in 1992 between the Iraqi Intelligence Service (IIS) and al Qaeda was brokered by al-Turabi. Former IIS deputy director Faruq Hijazi and senior al Qaeda leader [Ayman al] Zawahiri were at the meeting--the first of several between 1992 and 1995 in Sudan. Additional meetings between Iraqi intelligence and al Qaeda were held in Pakistan. Members of al Qaeda would sometimes visit Baghdad where they would meet the Iraqi intelligence chief in a safe house. The report claimed that Saddam insisted the relationship with al Qaeda be kept secret. After 9-11, the source said Saddam made a personnel change in the IIS for fear the relationship would come under scrutiny from foreign probes.*

A decisive moment in the budding relationship came in 1993, when bin Laden faced internal resistance to his cooperation with Saddam.

*5. A CIA report from a contact with good access, some of whose reporting has been corroborated, said that certain elements in the "Islamic Army" of bin Laden were against the secular regime of Saddam. Overriding the internal factional strife that was developing, bin Laden came to an "understanding" with Saddam that the Islamic Army would no longer support anti-Saddam activities. According to sensitive reporting released in U.S. court documents during the African Embassy trial, in 1993 bin Laden reached an "understanding" with Saddam under which he (bin Laden) forbade al Qaeda operations to be mounted against the Iraqi leader.*

Another facilitator of the relationship during the mid-1990s was Mahmoudouh Mahmud Salim (a.k.a. Abu Hajer al-Iraqi). Abu Hajer, now in a New York prison, was described in court proceedings related to the August 1998 bombings of U.S. embassies in Kenya and Tanzania as bin Laden's "best friend." According to CIA reporting dating back to the Clinton administration, bin Laden trusted him to serve as a liaison with Saddam's regime and tasked him with procurement of weapons of mass destruction for al Qaeda. FBI reporting in the memo reveals that Abu Hajer "visited Iraq in early 1995" and "had a good relationship with Iraqi intelligence. Sometime before mid-1995 he went on an al Qaeda mission to discuss unspecified cooperation with the Iraqi government."

Some of the reporting about the relationship throughout the mid-1990s comes from a source who had intimate knowledge of bin Laden and his dealings. This source, according to CIA analysis, offered "the most credible information" on cooperation between bin Laden and Iraq.

*This source's reports read almost like a diary. Specific dates of when bin Laden flew to various cities are included, as well as names of individuals he met. The source did not offer information on the substantive talks during the meetings. . . . There are not a great many reports in general on the relationship between bin Laden and Iraq because of the secrecy surrounding it. But when this source with close access provided a "window" into bin Laden's activities, bin Laden is seen as heavily involved with Iraq (and Iran).*

Reporting from the early 1990s remains somewhat sketchy, though multiple sources place Hassan al-Turabi and Ayman al Zawahiri, bin Laden's current No. 2, at the center of the relationship. The reporting gets much more specific in the mid-1990s:

*8. Reporting from a well placed source disclosed that bin Laden was receiving training on bomb making from the IIS's [Iraqi Intelligence Service] principal technical expert on making sophisticated explosives, Brigadier Salim al-Ahmed. Brigadier Salim was observed at bin Laden's farm in Khartoum in Sept.-Oct. 1995 and again in July 1996, in the company of the Director of Iraqi Intelligence, Mani*

*abd-al-Rashid al-Tikriti.*

*9 . . . Bin Laden visited Doha, Qatar (17-19 Jan. 1996), staying at the residence of a member of the Qatari ruling family. He discussed the successful movement of explosives into Saudi Arabia, and operations targeted against U.S. and U.K. interests in Dammam, Dhahran, and Khobar, using clandestine al Qaeda cells in Saudi Arabia. Upon his return, bin Laden met with Hijazi and Turabi, among others.*

And later more reporting, from the same "well placed" source:

*10. The Director of Iraqi Intelligence, Mani abd-al-Rashid al-Tikriti, met privately with bin Laden at his farm in Sudan in July 1996. Tikriti used an Iraqi delegation traveling to Khartoum to discuss bilateral cooperation as his "cover" for his own entry into Sudan to meet with bin Laden and Hassan al-Turabi. The Iraqi intelligence chief and two other IIS officers met at bin Laden's farm and discussed bin Laden's request for IIS technical assistance in: a) making letter and parcel bombs; b) making bombs which could be placed on aircraft and detonated by changes in barometric pressure; and c) making false passport [sic]. Bin Laden specifically requested that [Brigadier Salim al-Ahmed], Iraqi intelligence's premier explosives maker—especially skilled in making car bombs—remain with him in Sudan. The Iraqi intelligence chief instructed Salim to remain in Sudan with bin Laden as long as required.*

The analysis of those events follows:

*The time of the visit from the IIS director was a few weeks after the Khobar Towers bombing. The bombing came on the third anniversary of a U.S. [Tomahawk missile] strike on IIS HQ (retaliation for the attempted assassination of former President Bush in Kuwait) for which Iraqi officials explicitly threatened retaliation.*

IN ADDITION TO THE CONTACTS CLUSTERED in the mid-1990s, intelligence reports detail a flurry of activities in early 1998 and again in December 1998. A "former senior Iraqi intelligence officer" reported that "the Iraqi intelligence service station in Pakistan was Baghdad's point of contact with al Qaeda. He also said bin Laden visited Baghdad in Jan. 1998 and met with Tariq Aziz."

*11. According to sensitive reporting, Saddam personally sent Faruq Hijazi, IIS deputy director and later Iraqi ambassador to Turkey, to meet with bin Laden at least twice, first in Sudan and later in Afghanistan in 1999. . . .*

*14. According to a sensitive reporting [from] a "regular and reliable source," [Ayman al] Zawahiri, a senior al Qaeda operative, visited Baghdad and met with the Iraqi Vice President on 3 February 1998. The goal of the visit was to arrange for coordination between Iraq and bin Laden and establish camps in an-Nasiriyah and Iraqi Kurdistan under the leadership of Abdul Aziz.*

That visit came as the Iraqis intensified their defiance of the U.N. inspection regime, known as UNSCOM, created by the cease-fire agreement following the Gulf War. UNSCOM demanded access to Saddam's presidential palaces that he refused to provide. As the tensions mounted, President Bill Clinton went to the Pentagon on February 18, 1998, and prepared the nation for war. He warned of "an unholy axis of terrorists, drug traffickers, and organized international criminals" and said "there is no more clear example of this threat than Saddam Hussein."

The day after this speech, according to documents unearthed in April 2003 in the Iraqi Intelligence headquarters by journalists Mitch Potter and Inigo Gilmore, Hussein's intelligence service wrote a memo detailing coming meetings with a bin Laden representative traveling to Baghdad. Each reference to bin Laden had been covered by liquid paper that, when revealed, exposed a plan to increase cooperation between Iraq and al Qaeda. According to that memo, the IIS agreed to pay for "all the travel and hotel costs inside Iraq to gain the knowledge of the message from bin Laden and to convey to his envoy an oral message from us to bin Laden." The document set as the goal for the meeting a discussion of "the future of our relationship with him, bin Laden, and to achieve a direct meeting with him." The al Qaeda representative, the document went on to suggest, might provide "a way to maintain



contacts with bin Laden."

Four days later, on February 23, 1998, bin Laden issued his now-famous *fatwa* on the plight of Iraq, published in the Arabic-language daily, al Quds al-Arabi: "For over seven years the United States has been occupying the lands of Islam in the holiest of places, the Arabian Peninsula, plundering its riches, dictating to its rulers, humiliating its people, terrorizing its neighbors, and turning its bases in the Peninsula into a spearhead through which to fight the neighboring Muslim peoples." Bin Laden urged his followers to act: "The ruling to kill all Americans and their allies--civilians and military--is an individual duty for every Muslim who can do it in any country in which it is possible to do it."

Although war was temporarily averted by a last-minute deal brokered by U.N. Secretary General Kofi Annan, tensions soon rose again. The standoff with Iraq came to a head in December 1998, when President Clinton launched Operation Desert Fox, a 70-hour bombing campaign that began on December 16 and ended three days later, on December 19, 1998.

According to press reports at the time, Faruq Hijazi, deputy director of Iraqi Intelligence, met with bin Laden in Afghanistan on December 21, 1998, to offer bin Laden safe haven in Iraq. CIA reporting in the memo to the Senate Intelligence Committee seems to confirm this meeting and relates two others.

*15. A foreign government service reported that an Iraqi delegation, including at least two Iraqi intelligence officers formerly assigned to the Iraqi Embassy in Pakistan, met in late 1998 with bin Laden in Afghanistan.*

*16. According to CIA reporting, bin Laden and Zawahiri met with two Iraqi intelligence officers in Afghanistan in Dec. 1998.*

*17. . . . Iraq sent an intelligence officer to Afghanistan to seek closer ties to bin Laden and the Taliban in late 1998. The source reported that the Iraqi regime was trying to broaden its cooperation with al Qaeda. Iraq was looking to recruit Muslim "elements" to sabotage U.S. and U.K. interests. After a senior Iraqi intelligence officer met with Taliban leader [Mullah] Omar, arrangements were made for a series of meetings between the Iraqi intelligence officer and bin Laden in Pakistan. The source noted Faruq Hijazi was in Afghanistan in late 1998.*

*18. . . . Faruq Hijazi went to Afghanistan in 1999 along with several other Iraqi officials to meet with bin Laden. The source claimed that Hijazi would have met bin Laden only at Saddam's explicit direction.*

An analysis that follows No. 18 provides additional context and an explanation of these reports:

*Reporting entries #4, #11, #15, #16, #17, and #18, from different sources, corroborate each other and provide confirmation of meetings between al Qaeda operatives and Iraqi intelligence in Afghanistan and Pakistan. None of the reports have information on operational details or the purpose of such meetings. The covert nature of the relationship would indicate strict compartmentation [sic] of operations.*

Information about connections between al Qaeda and Iraq was so widespread by early 1999 that it made its way into the mainstream press. A January 11, 1999, Newsweek story ran under this headline: "Saddam + Bin Laden?" The story cited an "Arab intelligence source" with knowledge of contacts between Iraq and al Qaeda. "According to this source, Saddam expected last month's American and British bombing campaign to go on much longer than it did. The dictator believed that as the attacks continued, indignation would grow in the Muslim world, making his terrorism offensive both harder to trace and more effective. With acts of terror contributing to chaos in the region, Turkey, Jordan, Saudi Arabia, and Kuwait might feel less inclined to support Washington. Saddam's long-term strategy, according to several sources, is to bully or cajole Muslim countries into breaking the embargo against Iraq, without waiting for the United Nations to lift it formally."

INTELLIGENCE REPORTS about the nature of the relationship between Iraq and al Qaeda from mid-1999

through 2003 are conflicting. One senior Iraqi intelligence officer in U.S. custody, Khalil Ibrahim Abdallah, "said that the last contact between the IIS and al Qaeda was in July 1999. Bin Laden wanted to meet with Saddam, he said. The guidance sent back from Saddam's office reportedly ordered Iraqi intelligence to refrain from any further contact with bin Laden and al Qaeda. The source opined that Saddam wanted to distance himself from al Qaeda."

The bulk of reporting on the relationship contradicts this claim. One report states that "in late 1999" al Qaeda set up a training camp in northern Iraq that "was operational as of 1999." Other reports suggest that the Iraqi regime contemplated several offers of safe haven to bin Laden throughout 1999.

*23. . . . Iraqi officials were carefully considering offering safe haven to bin Laden and his closest collaborators in Nov. 1999. The source indicated the idea was put forward by the presumed head of Iraqi intelligence in Islamabad (Khalid Janaby) who in turn was in frequent contact and had good relations with bin Laden.*

Some of the most intriguing intelligence concerns an Iraqi named Ahmed Hikmat Shakir:

*24. According to sensitive reporting, a Malaysia-based Iraqi national (Shakir) facilitated the arrival of one of the Sept 11 hijackers for an operational meeting in Kuala Lumpur (Jan 2000). Sensitive reporting indicates Shakir's travel and contacts link him to a worldwide network of terrorists, including al Qaeda. Shakir worked at the Kuala Lumpur airport—a job he claimed to have obtained through an Iraqi embassy employee.*

One of the men at that al Qaeda operational meeting in the Kuala Lumpur Hotel was Tawfiz al Atash, a top bin Laden lieutenant later identified as the mastermind of the October 12, 2000, attack on the USS Cole.

*25. Investigation into the bombing of the USS Cole in October 2000 by al Qaeda revealed no specific Iraqi connections but according to the CIA, "fragmentary evidence points to possible Iraqi involvement."*

*26. During a custodial interview, Ibn al-Shaykh al-Libi [a senior al Qaeda operative] said he was told by an al Qaeda associate that he was tasked to travel to Iraq (1998) to establish a relationship with Iraqi intelligence to obtain poisons and gases training. After the USS Cole bombing in 2000, two al Qaeda operatives were sent to Iraq for CBW-related [Chemical and Biological Weapons] training beginning in Dec 2000. Iraqi intelligence was "encouraged" after the embassy and USS Cole bombings to provide this training.*

The analysis of this report follows.

*CIA maintains that Ibn al-Shaykh's timeline is consistent with other sensitive reporting indicating that bin Laden asked Iraq in 1998 for advanced weapons, including CBW and "poisons."*

Additional reporting also calls into question the claim that relations between Iraq and al Qaeda cooled after mid-1999:

*27. According to sensitive CIA reporting, . . . the Saudi National Guard went on a kingdom-wide state of alert in late Dec 2000 after learning Saddam agreed to assist al Qaeda in attacking U.S./U.K. interests in Saudi Arabia.*

And then there is the alleged contact between lead 9/11 hijacker Mohamed Atta and an Iraqi intelligence officer in Prague. The reporting on those links suggests not one meeting, but as many as four. What's more, the memo reveals potential financing of Atta's activities by Iraqi intelligence.

*The Czech counterintelligence service reported that the Sept. 11 hijacker [Mohamed] Atta met with the former Iraqi intelligence chief in Prague, [Ahmed Khalil Ibrahim Samir] al Ani, on several occasions. During one of these meetings, al Ani ordered the IIS finance officer to issue Atta funds*

*from IIS financial holdings in the Prague office.*

And the commentary:

*CIA can confirm two Atta visits to Prague--in Dec. 1994 and in June 2000; data surrounding the other two--on 26 Oct 1999 and 9 April 2001--is complicated and sometimes contradictory and CIA and FBI cannot confirm Atta met with the IIS. Czech Interior Minister Stanislav Gross continues to stand by his information.*

It's not just Gross who stands by the information. Five high-ranking members of the Czech government have publicly confirmed meetings between Atta and al Ani. The meeting that has gotten the most press attention--April 9, 2001--is also the most widely disputed. Even some of the most hawkish Bush administration officials are privately skeptical that Atta met al Ani on that occasion. They believe that reports of the alleged meeting, said to have taken place in public, outside the headquarters of the U.S.-financed Radio Free Europe/Radio Liberty, suggest a level of sloppiness that doesn't fit the pattern of previous high-level Iraq-al Qaeda contacts.

Whether or not that specific meeting occurred, the report by Czech counterintelligence that al Ani ordered the Iraqi Intelligence Service officer to provide IIS funds to Atta might help explain the lead hijacker's determination to reach Prague, despite significant obstacles, in the spring of 2000. (Note that the report stops short of confirming that the funds were transferred. It claims only that the IIS officer requested the transfer.) Recall that Atta flew to Prague from Germany on May 30, 2000, but was denied entry because he did not have a valid visa. Rather than simply return to Germany and fly directly to the United States, his ultimate destination, Atta took pains to get to Prague. After he was refused entry the first time, he traveled back to Germany, obtained the proper paperwork, and caught a bus back to Prague. He left for the United States the day after arriving in Prague for the second time.

Several reports indicate that the relationship between Saddam and bin Laden continued, even after the September 11 attacks:

*31. An Oct. 2002 . . . report said al Qaeda and Iraq reached a secret agreement whereby Iraq would provide safe haven to al Qaeda members and provide them with money and weapons. The agreement reportedly prompted a large number of al Qaeda members to head to Iraq. The report also said that al Qaeda members involved in a fraudulent passport network for al Qaeda had been directed to procure 90 Iraqi and Syrian passports for al Qaeda personnel.*

The analysis that accompanies that report indicates that the report fits the pattern of Iraq-al Qaeda collaboration:

*References to procurement of false passports from Iraq and offers of safe haven previously have surfaced in CIA source reporting considered reliable. Intelligence reports to date have maintained that Iraqi support for al Qaeda usually involved providing training, obtaining passports, and offers of refuge. This report adds to that list by including weapons and money. This assistance would make sense in the aftermath of 9-11.*

Colin Powell, in his February 5, 2003, presentation to the U.N. Security Council, revealed the activities of Abu Musab al Zarqawi. Reporting in the memo expands on Powell's case and might help explain some of the resistance the U.S. military is currently facing in Iraq.

*57. Sensitive reporting indicates senior terrorist planner and close al Qaeda associate al Zarqawi has had an operational alliance with Iraqi officials. As of Oct. 2002, al Zarqawi maintained contacts with the IIS to procure weapons and explosives, including surface-to-air missiles from an IIS officer in Baghdad. According to sensitive reporting, al Zarqawi was setting up sleeper cells in Baghdad to be activated in case of a U.S. occupation of the city, suggesting his operational cooperation with the Iraqis may have deepened in recent months. Such cooperation could include IIS provision of a secure operating bases [sic] and steady access to arms and explosives in preparation for a possible U.S. invasion. Al Zarqawi's procurements from the Iraqis also could support al Qaeda operations against the U.S. or its allies elsewhere.*

*38. According to sensitive reporting, a contact with good access who does not have an established reporting record: An Iraqi intelligence service officer said that as of mid-March the IIS was providing weapons to al Qaeda members located in northern Iraq, including rocket propelled grenade (RPG)-18 launchers. According to IIS information, northern Iraq-based al Qaeda members believed that the U.S. intended to strike al Qaeda targets during an anticipated assault against Ansar al-Islam positions.*

The memo further reported pre-war intelligence which "claimed that an Iraqi intelligence official, praising Ansar al-Islam, provided it with \$100,000 and agreed to continue to give assistance."

CRITICS OF THE BUSH ADMINISTRATION have complained that Iraq-al Qaeda connections are a fantasy, trumped up by the warmongers at the White House to fit their preconceived notions about international terror; that links between Saddam Hussein and Osama bin Laden have been routinely "exaggerated" for political purposes; that hawks "cherry-picked" bits of intelligence and tendentiously presented these to the American public.

Carl Levin, a senior member of the Senate Intelligence Committee, made those points as recently as November 9, in an appearance on "Fox News Sunday." Republicans on the committee, he complained, refuse to look at the administration's "exaggeration of intelligence."

Said Levin: "The question is whether or not they exaggerated intelligence in order to carry out their purpose, which was to make the case for going to war. Did we know, for instance, with certainty that there was any relationship between the Iraqis and the terrorists that were in Afghanistan, bin Laden? The administration said that there's a connection between those terrorist groups in Afghanistan and Iraq. Was there a basis for that?"

There was, as shown in the memo to the committee on which Levin serves. And much of the reporting comes from Clinton-era intelligence. Not that you would know this from Al Gore's recent public statements. Indeed, the former vice president claims to be privy to new "evidence" that the administration lied. In an August speech at New York University, Gore claimed: "The evidence now shows clearly that Saddam did not want to work with Osama bin Laden at all, much less give him weapons of mass destruction." Really?

One of the most interesting things to note about the 16-page memo is that it covers only a fraction of the evidence that will eventually be available to document the relationship between Iraq and al Qaeda. For one thing, both Saddam and bin Laden were desperate to keep their cooperation secret. (Remember, Iraqi intelligence used liquid paper on an internal intelligence document to conceal bin Laden's name.) For another, few people in the U.S. government are expressly looking for such links. There is no Iraq-al Qaeda equivalent of the CIA's 1,400-person Iraq Survey Group currently searching Iraq for weapons of mass destruction.

Instead, CIA and FBI officials are methodically reviewing Iraqi intelligence files that survived the three-week war last spring. These documents would cover several miles if laid end-to-end. And they are in Arabic. They include not only connections between bin Laden and Saddam, but also revolting details of the regime's long history of brutality. It will be a slow process.

So Feith's memo to the Senate Intelligence Committee is best viewed as sort of a "Cliff's Notes" version of the relationship. It contains the highlights, but it is far from exhaustive.

One example. The memo contains only one paragraph on Ahmed Hikmat Shakir, the Iraqi facilitator who escorted two September 11 hijackers through customs in Kuala Lumpur. U.S. intelligence agencies have extensive reporting on his activities before and after the September 11 hijacking. That they would include only this brief overview suggests the 16-page memo, extensive as it is, just skims the surface of the reporting on Iraq-al Qaeda connections.

Other intelligence reports indicate that Shakir whisked not one but two September 11 hijackers—Khalid al Midhar and Nawaf al Hamzi—through the passport and customs process upon their arrival in Kuala Lumpur on January 5, 2000. Shakir then traveled with the hijackers to the Kuala Lumpur Hotel where they met with Ramzi bin al Shihb, one of the masterminds of the September 11 plot. The meeting lasted three days. Shakir returned to work on January 9 and January 10, and never again.

Shakir got his airport job through a contact at the Iraqi Embassy. (Iraq routinely used its embassies as staging grounds for its intelligence operations; in some cases, more than half of the alleged "diplomats" were intelligence operatives.) The Iraqi embassy, not his employer, controlled Shakir's schedule. He was detained in Qatar on September 17, 2001. Authorities found in his possession contact information for terrorists involved in the 1993 World Trade Center bombing, the 1998 embassy bombings, the 2000 attack on the USS *Cole*, and the September 11 hijackings. The CIA had previous reporting that Shakir had received a phone call from the safe house where the 1993 World Trade Center attacks had been plotted.

The Qataris released Shakir shortly after his arrest. On October 21, 2001, he flew to Amman, Jordan, where he was to change planes to a flight to Baghdad. He didn't make that flight. Shakir was detained in Jordan for three months, where the CIA interrogated him. His interrogators concluded that Shakir had received extensive training in counter-interrogation techniques. Not long after he was detained, according to an official familiar with the intelligence, the Iraqi regime began to "pressure" Jordanian intelligence to release him. At the same time, Amnesty International complained that Shakir was being held without charge. The Jordanians released him on January 28, 2002, at which point he is believed to have fled back to Iraq.

Was Shakir an Iraqi agent? Does he provide a connection between Saddam Hussein and September 11? We don't know. We may someday find out.

But there can no longer be any serious argument about whether Saddam Hussein's Iraq worked with Osama bin Laden and al Qaeda to plot against Americans.

*Stephen F. Hayes is a staff writer at The Weekly Standard.*

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Senator LEVIN. Last November 24, The Weekly Standard published excerpts from an alleged classified document that was prepared by Under Secretary of Defense for Policy Feith that was dated October 27, 2003, and sent to the Senate Intelligence Committee. This article alleged an operational relationship between Iraq and the al Qaeda organization. In the words of this article by Stephen Hayes, "The picture that emerges is one of a history of collaboration between two of America's most determined and dangerous enemies."

Did the CIA, number one, agree with the contents of the Feith document that was sent to the Intelligence Committee? Did it have disagreements with that document?

Mr. TENET. Senator, we did not clear on that document. My understanding is we did not agree with the way the data was characterized in that document.

Senator LEVIN. All right. Now, those disagreements that you had with that document were not brought to the attention, as I understand it, of the Intelligence Committee at that time; is that correct?

Mr. TENET. That is correct.

Senator LEVIN. The Vice President of the United States, during an interview with The Rocky Mountain News on January 9, when asked about the relationship between al Qaeda and Iraq, said the following: "One place you ought to look is an article that Stephen Hayes did in The Weekly Standard here a few weeks ago"—so now he is referring to the article in that Weekly Standard—"because there it lays out in some detail, based on an assessment that was done by the DOD and that was forwarded to the Senate Intelligence Committee some weeks ago. That is your best source of information."

That is what the Vice President says about that document that you had disagreements with. Have you told the Vice President, hey, we have disagreements with that document that you said was the

best source of information? By the way, it is a classified document. Putting that issue aside for the moment.

Mr. TENET. I think what we did is we went back to the DOD, who subsequently retracted the document and submitted a correction to you, because of our concerns with what the document said.

Senator LEVIN. I had asked for that document and it was because of my request that it got to you. Then you said, whoops, you have disagreements with that document; is that correct?

Mr. TENET. Yes, sir.

Senator LEVIN. Okay. Now, my question is this. Now you have the Vice President of the United States saying that the document that was quoted in The Weekly Standard was the best source of information, and that is the document that contains a whole bunch of conclusions that you disagree with. Have you gone to the Vice President of the United States and said, you said a document was the best source of information and it is quoted allegedly in The Weekly Standard and, Mr. Vice President, that is not the best source of information according to us? Have you said that to him?

Mr. TENET. I have not, sir. I learned about his quote last night when I was preparing for this hearing. I was unaware that he had said that and I will talk to him about it.

Senator LEVIN. I have to tell you here, we have now the Vice President saying on National Public Radio (NPR) that the vans are the conclusive evidence that there is a biological weapons program. You at some point when you found out about this——

Mr. TENET. Yes, sir, I went and talked——

Senator LEVIN. —not contemporaneously, but at some later point when it was pointed out to you, did you go back to the Vice President?

Mr. TENET. I did.

Senator LEVIN. But Mr. Director, when the Vice President is making public statements, as he has done relative to the vans, relative now to the question of the relationship between al Qaeda and Saddam Hussein, it seems to me there has to be someone in your office who is going to tell you that the Vice President said something which just does not have our support.

Mr. TENET. Sir, it is a fair point.

Senator LEVIN. You cannot just wait until we have a hearing and then——

Mr. TENET. Sir, it is a fair point.

Senator LEVIN. Mr. Chairman, I would ask that my letter to the Vice President dated February 12 be made part of the record.

Chairman WARNER. Without objection.

[The information referred to follows:]

February 12, 2004

The Vice President  
The White House  
Washington, D.C. 20500

Dear Mr. Vice President:

I am writing to inquire about two intelligence matters related to Iraq: the first concerning weapons of mass destruction, and the second concerning alleged cooperation between Iraq and al Qaeda.

On January 22, 2004, you made the following comment during an interview with National Public Radio concerning two trailers in Iraq:

“we know for example that prior to our going in that he had spent time and effort acquiring mobile biological weapons labs, and we’re quite confident he did, in fact, have such a program. We’ve found a couple of semi trailers at this point which we believe were, in fact, part of that program.... I would deem that conclusive evidence, if you will, that he did in fact have programs for weapons of mass destruction.”

In his speech on February 5, 2004, Director of Central Intelligence George Tenet said that “there is no consensus within our community over whether the trailers were for that use [biological weapons] or if they were used for the production of hydrogen.”

David Kay, former leader of the Iraq Survey Group, testified to Congress on October 2, 2003 that “we have not yet been able to corroborate the existence of a mobile BW [biological warfare] production effort.” He indicated that the ISG was still trying to determine “whether there was a mobile program and whether the trailers that have been discovered so far were part of such a program.”

In July, David Kay was interviewed by BBC television for a program that aired in England in late November, and here in the United States on January 22, 2004. In response to a question as to whether he thought it had been premature for the Administration to assert in May that the two trailers were intended to produce biological weapons agents, Kay said “I think it was premature and embarrassing.” He said “I wish that news hadn’t come out,” and concluded “I don’t want the mobile biological production facilities fiasco of May to be the model of the future.”

On January 28, 2004, Dr. Kay stated in testimony before the Senate Armed Services Committee that “I think the consensus opinion is that when you look at those two trailers ... their actual intended use was not for the production of biological weapons.”

Given those assessments, I would appreciate knowing what is the intelligence basis for your statements that "we're quite confident [Saddam] did, in fact, have such a [mobile biological weapons labs] program," that the trailers "we believe were, in fact, part of that program," and that those trailers are "conclusive evidence" that Iraq "did, in fact, have programs for weapons of mass destruction?"

I would be pleased to receive that information on an unclassified or classified basis.

With respect to the second intelligence issue, during your interview with the *Rocky Mountain News* on January 9, 2004, you recommended a source of information relative to the issue of whether there was a relationship between al Qaeda and Iraq:

"One place you ought to look is an article that Stephen Hayes did in the *Weekly Standard* here a few weeks ago, that goes through and lays out in some detail, based on an assessment that was done by the Department of Defense and was forwarded to the Senate Intelligence Committee some weeks ago. That's your best source of information."

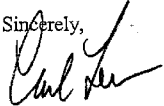
That article states that it is based on "a top secret U.S. government memorandum" prepared by the Defense Department, which was purportedly leaked to the *Weekly Standard*. The article then goes on to describe in detail and quote extensively from the document it says was leaked.

On October 15, 2003, the Defense Department had issued a News Release about the article that seems to disagree with what you said. According to the Defense Department, "News reports that the Defense Department recently confirmed new information with respect to contacts between al Qaeda and Iraq in a letter to the Senate Intelligence Committee are inaccurate."

Furthermore, the DOD news release noted that the "classified annex" sent by the Defense Department to the Senate Intelligence Committee "was not an analysis of the substantive issue of the relationship between Iraq and al Qaeda, and it drew no conclusions."

I would appreciate it if you would advise whether you were quoted accurately.

I look forward to your reply.

Sincerely,  
  
 Carl Levin  
 Ranking Member

Senator LEVIN. This letter asks the Vice President: What is the basis for your statement relative to the vans, and what is the basis for your statement relative to the article in *The Weekly Standard* being, as he put it, "the best source of information" relative to the al Qaeda relationship? We have not received an answer except for a telephone call, which frankly just said that you might be commenting on it or you have commented on it. That is it, that is all we have gotten from the Vice President, is a statement that you have made a reference to it in a prior hearing.

Mr. Chairman, I would ask not only that this letter be made part of the record, but, because this is such a critical issue that the Vice President of the United States is commenting on, that we as a com-



mittee ask, what is the basis for the information? It was not the CIA. The CIA was saying: Hey, the jury is out on the vans; there is no consensus on the vans. By the way, your top weapons inspector said the consensus was they were not part of a biological weapons program.

Mr. TENET. That is not what he said in his interim report, I do not believe.

Senator LEVIN. Not in his interim report. He said it was undetermined in his interim report. But he recently said there was a consensus that the vans were not part of a WMD program.

I am not arguing with you on that. You do not agree with that. Your position is that there is divided opinion on that issue.

Mr. TENET. Right.

Senator LEVIN. We have the Vice President saying the vans are part of a biological weapons program and that is conclusive evidence to him that Saddam had a WMD program. So you have that statement of the Vice President. Then you have a statement in The Weekly Standard, relative to The Weekly Standard piece, that he gives to The Rocky Mountain News, saying that The Weekly Standard piece is the best source of information relative to an al Qaeda-Iraq relationship, which the CIA does not agree with.

We have to get answers, it seems to me, from the Vice President, Mr. Chairman, on what is the source of those recent statements. They are not prior to the war; these are recent statements.

We know the source is not the CIA. The CIA finally learns about them. It takes you too long to learn about these very public statements, but nonetheless you learn about them at hearings. We ask you questions and then you go back and you correct the Vice President. But you have to have someone in your shop that keeps track of these kind of public statements, because that is what the public responds to.

Mr. Chairman, I would ask that we ask the Vice President if he would give us the source of the statements that I have referred to.

Chairman WARNER. We will take the matter under advisement.

Senator LEVIN. Thank you. That is all.

Chairman WARNER. This open session is now concluded. We will retire to room SH-219 for a closed session.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR ELIZABETH DOLE

##### NATIONAL SECURITY THREATS

1. Senator DOLE. Director Tenet and Admiral Jacoby, Prime Minister Tony Blair recently argued that the possibility of Islamic extremists collaborating with countries that possess unconventional weapons in order to carry out acts of terror justifies preemptive action. However, he also acknowledged the possibility that Saddam would have changed his ambitions or that terrorists might never have obtained unconventional weapons in Iraq. The dilemma we are facing is a threat of which "we cannot be certain, but do we want to take the risk?" The terrorist attacks on September 11, 2001, demonstrated the mortal dangers posed by terrorist threats left unchecked. The prime breeding grounds for terrorism are located in "ungoverned spaces" and countries with dictators sympathetic to their cause. Does the growing number of terrorists striving to make a spectacular attack on the United States' homeland pose a grave threat to our national security?

Director TENET. [Deleted.]

Admiral JACOBY. Yes.

2. Senator DOLE. Director Tenet and Admiral Jacoby, with respect to our national security threats originating in the “ungoverned spaces” and countries with dictators sympathetic to terrorist causes, what is the likelihood of non-military (diplomatic, economic, and information) elements of power being effective in alleviating the threat?

Director TENET. Several Central Intelligence Agency (CIA)-sponsored global analysis efforts suggest that a variety of non-military influences could help reduce U.S. vulnerability to threats originating in ungoverned spaces and autocracies sympathetic to terrorist causes. A task force of experts on governance and political instability led by CIA has concluded that the most effective non-military actions include state capacity building efforts, such as:

- Helping countries build law enforcement capacities.
- Helping a host government carry out a coordinated political, judicial, administrative, diplomatic, and economic plan to establish control over ungoverned areas.
- Eroding support for terrorist or insurgent groups by helping countries improve their standard of living through education and other social services.
- Improving and expanding lines of communication in remote areas.
- Encouraging conflict resolution efforts between the central government and insurgent groups, and discouraging states from sponsoring insurgencies in neighboring countries.
- Supporting the creation of strong democratic institutions with power sharing among groups, which discourages the formation of stateless zones.

States possess a combination of regime and societal characteristics that predispose them to support international terrorist groups, according to a CIA-led analysis of state-terrorist group relationships. Factors that make regimes more likely to support terrorists include autocratic rulers adhering to an exclusionary ideology and a higher than average percentage of a population under arms, according to our statistical analysis of state supporters of terrorism between 1992 and 2002. These underlying risk factors do not guarantee that a country will support terrorists, but they serve as warning signs in the same way that being overweight, combined with smoking and leading a sedentary lifestyle raises the risk of cardiovascular disease.

Policies aimed at altering these underlying characteristics and raising risks and costs for the backers of terrorism offer the greatest potential for stemming state support, according to nongovernmental experts on instability and terrorism and our analysis of past cases. The following other non-military countermeasures can help or forestall terrorist support:

- Imposing multilateral economic sanctions on—or holding back economic aid to—countries known to support terrorist groups.
- A long-term diplomatic and economic strategy of promoting durable, consolidated democracy, especially building constraints on executive power in autocratic countries and fostering economic and political ties to the west.
- Diplomatic efforts that undercut relationships between terrorists and harboring countries by diminishing the influence of regime figures backing terrorists, while cooperating with those who have motive and capability to act against terrorists.
- Sensitizing countries to the notion that hosting radical groups can undermine their regimes by sharing information that exposes instances when terrorists violate the policies of their hosts.

Admiral JACOBY. As I stated in my prepared testimony, the challenge posed to us from radical Islam and terrorism is a long term phenomenon based on the economic, political and demographic challenges faced by many countries. Military remedies alone cannot alleviate these problems.

Numerous successful examples can be cited in the use of non-military elements of power. Good intelligence, diplomatic pressure and economic sanctions played a role in compelling Libya to end its assistance to terrorist groups and abandon its weapons of mass destruction and ballistic missile programs. Economic assistance and diplomatic engagement rewarded Pakistan for its support to the global war on terrorism. Our support for Pakistan also serves as an inducement for other nations to come forward with assistance for the global war on terrorism.

3. Senator DOLE. Admiral Jacoby, in your prepared remarks you discussed how “al Qaeda remains the greatest terrorist threat to our homeland.” Some of the concerns you illustrated were the threats of terrorists using manportable air defense systems and established criminal networks to assist them in the traffic of weapons of mass destruction. Could you provide us with the likelihood of terrorists trying to

capitalize on these vulnerabilities and attempting an attack against the American homeland during the next year?

Admiral JACOBY. The likelihood of terrorist groups taking advantage of vulnerabilities to our civilian airliners from manportable air defense systems (MANPADS) and to the homeland from weapons of mass destruction is real. While I have no information on a specific and immediate plan by terrorist groups to use either type of weapons in the United States, the intent and capabilities of these groups and the open nature of our society, lead me to no other conclusion.

4. Senator DOLE. Admiral Jacoby, what is the greatest overall threat to our homeland in light of other emerging threats such as ballistic missiles capable of targeting nearly all of North America?

Admiral JACOBY. The greatest overall threat to our homeland is a terrorist attack by al Qaeda or other like minded group using weapons of mass destruction. While several countries, such as China and Russia, possess greater destructive capabilities, only al Qaeda combines both the intent and capability to use weapons of mass destruction in an attack on our homeland. Additionally, al Qaeda is less concerned than nation-states about military retaliation since they reside amongst civilians of other countries or in ungoverned spaces.

#### POSITIVE CHANGES

5. Senator DOLE. Director Tenet, you have said that the world today, compared with last year, “is equally if not more, complicated and fraught with danger for American interests.” You also went on to state that it “also holds great opportunity for positive change.” Can you discuss the most significant opportunities for positive change relative to American interests, and how well the Intelligence Community is positioned to exploit or support them?

Director TENET. The United States currently enjoys two broad strategic opportunities for positive change relative to its interests. On the geo-political level, the absence of armed conflict, and for the most part armed competition, between any of the world’s major powers provides a unique historical opportunity for bilateral and multilateral cooperation on a wide range of critical issues. What Secretary Powell called “An Age of Cooperation” in his Foreign Affairs article early this year has had a revolutionary impact on how the major powers have tackled such thorny problems as global terrorism, proliferation—specifically negotiations with Iran and North Korea—and the Middle East.

- The Intelligence Community provides intelligence support on these issues and countries of concern for policy initiatives and military operations undertaken as part of these international collaborative efforts. It also monitors the diplomatic, economic, military, and intelligence activities of the other major powers.

On the geo-economic level, trends continue to favor expanding the free trade system, creating regulatory transparency and combating corruption. For example, although developing countries were vocal in their complaints at the World Trade Organization (WTO) Ministerial in Cancun last September, their desire for reform in the global trading system—specifically in the reduction of agricultural subsidies for developed country farmers—probably will make them eventually return to the WTO negotiating table. Brazil probably wanted to be seen as an effective host of the United Nations Conference on Trade Development (UNCTAD) XI—depending on the outlook for a Doha framework agreement. Brazil has a fundamental interest in maintaining the momentum of the Doha talks, especially in convincing the United States, European Union, and Japan to cease agricultural subsidies so that Brazil can increase its export of agricultural products.

- The Intelligence Community provides intelligence support to U.S. trade negotiators and monitors foreign economic trends and activities that could affect U.S. national interests.

6. Senator DOLE. Director Tenet and Admiral Jacoby, in your hearing on Tuesday, February 24 before the Senate Select Committee on Intelligence, both of you agreed with the statement that Americans are safer today than 1 year ago. Yet, your assessments portray a situation in which threats to Americans have not diminished and might have increased from 1 year ago. Could you elaborate on why you feel Americans are safer today while the threat to Americans has not diminished and may have increased?

Director TENET. [Deleted.]

Admiral JACOBY. Americans are safer today for several reasons. First, our war on terrorism has achieved several notable accomplishments. We have shrunk the favorable operating environments for al Qaeda and other terrorist groups. We have captured or killed six of the original top nine operatives and leaders of al Qaeda. Interrogations of captured al Qaeda members have revealed considerable details about their plans, methods, training, finances, and logistical infrastructure. That information has enabled us to further attack the terrorist network and foil ongoing plots. Second, we have improved our security within the United States, presenting al Qaeda with a more difficult target and operating environment. Third, many countries have redoubled their efforts to root out al Qaeda and like minded terrorist groups and increased their cooperation with us.

7. Senator DOLE. Director Tenet and Admiral Jacoby, is a portion of increased safety to Americans a direct result of the intelligence communities' ongoing transformation and integration?

Director TENET. Yes. United States interests at home and abroad remain at risk of terrorist attack. However, significant progress has been made to improve and transform our ability to protect Americans from the scourge of international terrorism.

The establishment of the Department of Homeland Security (DHS), and the incorporation of part of this Department within the Intelligence Community, has significantly improved our ability to share information with organizations responsible for protecting our borders, ports, and other critical infrastructure. More significantly, the DHS is providing for systematic communication with senior officials at the State, local, and private sector levels as well as facilitating the exchange of information across multiple levels of government.

The expansion of the FBI's Joint Terrorism Task Forces (JTTFs) and the new FBI Office of Intelligence have also significantly enhanced the communication of threat information to local law enforcement officials. In addition, we are now better able to leverage information available to State and local law enforcement officials to identify potential new terrorist threats.

The establishment of the Terrorist Threat Integration Center (TTIC) has enhanced our ability to integrate all information and analysis available to the U.S. Government (USG) to provide a comprehensive picture of terrorist threats to U.S. interests at home and abroad. This multi-agency "joint venture" has access to information systems and databases spanning the intelligence, law enforcement, homeland security, diplomatic, and military communities. In fact, TTIC has direct-access connectivity with 14—soon to be 24—separate USG networks, enabling information sharing as never before in the Federal government and beyond. While there is still a long way to go, great progress has been made integrating USG terrorism analysis capabilities in TTIC by virtue of the steady commitment of partner agencies including the FBI, CIA, and the Departments of Defense (DOD), State, and DHS.

Admiral JACOBY. Yes. The Intelligence and Law Enforcement Communities have made progress in coordinating their activities and sharing intelligence.

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#### QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

##### ATTA/AL-ANI PRAGUE MEETING

8. Senator LEVIN. Director Tenet, do you believe it is likely that September 11 hijacker Mohammed Atta and Iraqi Intelligence Service officer Ahmed al-Ani met in Prague in April 2001, or do you believe it is unlikely that the meeting took place?

Director TENET. Although we cannot rule it out, we are increasing skeptical that such a meeting occurred. The veracity of the single-threaded reporting on which the original account of the meeting was based has been questioned, and the Iraqi official with whom Atta was alleged to have met has denied ever having met Atta.

We have been able to corroborate only two visits by Atta to the Czech Republic: one in late 1994, when he passed through enroute to Syria; the other in June 2000, when, according to detainee reporting, he departed for the United States from Prague because he thought a non-European Union (EU) member country would be less likely to keep meticulous travel data.

In the absence of any credible information that the April 2001 meeting occurred, we assess that Atta would have been unlikely to undertake the substantial risk of contacting any Iraqi official as late as April 2001, with the plot already well along toward execution.

It is likewise hard to conceive of any single ingredient crucial to the plot's success that could only be obtained from Iraq.

In our judgment, the 11 September plot was complex in its orchestration but simple in its basic conception. We believe that the factors vital to success of the plot were all easily within al Qaeda's means without resort to Iraqi expertise: shrewd selection of operatives, training in hijacking aircraft, a mastermind and pilots well-versed in the procedures and behavior needed to blend in with U.S. society, long experience in moving money to support operations, and the openness and tolerance of U.S. society as well as the ready availability of important information about targets, flight schools, and airport and airline security practices.

#### CIA CLEARANCE OF URANIUM REFERENCES

9. Senator LEVIN. Director Tenet, the following administration statements made reference to Iraq's alleged attempts to acquire uranium from Africa after you had a similar reference removed from a draft of the President's October 7, 2002, Cincinnati speech. Did the CIA review and clear the following statements, particularly with regard to the African uranium allegations? Which of these statements were sent to the CIA for review? (Please provide an unclassified answer, with a classified annex if necessary.)

- December 19, 2002: State Department Fact Sheet titled "Illustrative Examples of Omissions From the Iraqi Declaration to the United Nations Security Council" that states Iraq's Declaration "ignores efforts to procure uranium from Niger."
- January 20, 2003: President Bush sent a report to Congress that states the Iraqi declaration failed to deal with Iraq's "attempts to acquire uranium."
- January 23, 2003: White House issues the publication "What Does Disarmament Look Like?" that says the Iraqi declaration "ignores efforts to procure uranium from abroad."
- January 23, 2003: National Security Adviser Condoleezza Rice published an Op-Ed in the New York Times saying that Iraq's "declaration fails to account for or explain Iraq's efforts to get uranium from abroad."
- January 26, 2003: Secretary of State Colin Powell, in a speech at the World Economic Forum in Davos, Switzerland, asked "Why is Iraq still trying to procure uranium?"
- January 29, 2003: Secretary of Defense Donald Rumsfeld said on CNN that Iraq "recently was discovered seeking significant quantities of uranium from Africa."

Director TENET. While our records are not comprehensive, following are the results of our research on this question:

December 19, 2002: State Department Fact Sheet titled "Illustrative Examples of Omissions From the Iraqi Declaration to the United Nations Security Council" that states Iraq's Declaration "ignores efforts to procure uranium from Niger."

CIA did receive this Fact Sheet for comment. The Director of the Office of Weapons Intelligence, Nonproliferation, and Arms Control (WINPAC) in the Directorate of Intelligence recommended that the draft's reference to Niger be changed to Africa, but according to the State officer who drafted the fact sheet, the comments were not obtained in time to correct the listing on the State Department web site. The information was acted on in time, however, to remove the Niger reference from Ambassador Negroponte's statement to the U.N. Security Council on the same day.

January 20, 2003: President Bush sent a report to Congress that states the Iraqi declaration failed to deal with Iraq's "attempts to acquire uranium."

We believe this refers to the 20 January document entitled "Communications from the President of the United States Transmitting a Report on Matters Relevant to the Authorization for use of Military Force Against Iraq." We have not located any record that we received this document for comment.

January 23, 2003: White House issues the publication "What Does Disarmament Look Like?" that says the Iraqi declaration "ignores efforts to procure uranium from abroad."

We received multiple versions of this document between between 20 and 22 January 2003. The last version that we reviewed included the statement, "The declaration ignores efforts to procure uranium from abroad." We have no record of having objected to this statement.

January 23, 2003: National Security Adviser Condoleezza Rice published an Op-Ed in the New York Times saying that Iraq's "declaration fails to account for or explain Iraq's efforts to get uranium from abroad."

We have no record of reviewing this document.

January 26, 2003: Secretary of State Colin Powell, in a speech at the World Economic Forum in Davos, Switzerland, asked, "Why is Iraq still trying to procure uranium?"

We have no record of reviewing this document.

January 29, 2003: Secretary of Defense Donald Rumsfeld said on CNN that Iraq "recently was discovered seeking significant quantities of uranium from Africa."

We have no record of reviewing this statement.

#### INC DEFECTOR DEBRIEFINGS

10. Senator LEVIN. Admiral Jacoby, once the Information Collection Program of the Iraqi National Congress (INC) was transferred from the State Department to the Defense Intelligence Agency (DIA), who conducted the debriefings of the INC-supplied defectors, and who prepared the resulting reports or summaries?

Admiral JACOBY. [Deleted.]

11. Senator LEVIN. Admiral Jacoby, were they all Defense Intelligence Agency (DIA) personnel working for DIA, or were there any persons working for other agencies or offices?

Admiral JACOBY. [Deleted.]

12. Senator LEVIN. Admiral Jacoby, if the defector debriefings were conducted or observed by personnel who were not working for DIA, what agencies or offices were they from?

Admiral JACOBY. [Deleted.]

13. Senator LEVIN. Admiral Jacoby, how were the information reports or summaries from the INC-supplied defector debriefings handled? Were they all sent through normal intelligence channels, or were any sent outside normal intelligence reporting channels? If any were sent outside normal intelligence reporting channels, what channels were used and to what offices or individuals were they sent?

Admiral JACOBY. [Deleted.]

#### FEITH OFFICE MEETINGS WITH GHORBANIFAR

14. Senator LEVIN. Director Tenet, several news articles describe secret meetings between DOD policy officials and Iranian nationals in 2001 and 2002, including Manucher Ghorbanifar who played a prominent role in the Iran-Contra scandal. The articles state that Secretary of State Powell discussed his concerns about the meetings with Secretary of Defense Rumsfeld and National Security Adviser Rice. Did you ever discuss with other administration officials either of those meetings, or the issue of the DOD policy office run by Under Secretary of Defense Doug Feith, particularly whether that office might be bypassing normal Intelligence Community channels?

Director TENET. [Deleted.]

15. Senator LEVIN. Director Tenet, is it correct that the CIA believes Ghorbanifar is a fabricator, and neither credible nor reliable?

Director TENET. [Deleted.]

16. Senator LEVIN. Director Tenet, did you know of those meetings with Ghorbanifar in advance and were you asked for and did you give your approval of those meetings in your capacity as Director of Central Intelligence?

Director TENET. [Deleted.]

#### WHITE PAPER OMISSION OF INFORMATION FROM NIE

17. Senator LEVIN. Director Tenet, in October 2002, the Intelligence Community issued a White Paper on "Iraq's Weapons of Mass Destruction Programs." Its "Key Judgments" mirrored to a considerable degree the Key Judgments from the classi-

fied October 1 National Intelligence Estimate (NIE) on “Iraq’s Continuing Programs for Weapons of Mass Destruction,” which were declassified on July 18, 2003.

However, the unclassified White Paper completely omitted the “Key Judgments” from the NIE concerning Iraq’s use of WMD, including the judgments that Saddam appeared unlikely to conduct terrorist attacks against the United States for fear of war, and was not likely to provide WMD to terrorists unless he had already been attacked, his forces could not carry out an attack, and he was “sufficiently desperate” to take the “extreme step” of helping terrorists conduct an attack for vengeance. Why did the White Paper leave out these judgments?

Director TENET. The question was answered on 7 October 2002 by then DCI George J. Tenet, when he responded to the 4 October 2002 declassification request from the Senate Select Committee on Intelligence. In our response, we “made unclassified material available to further the Senate’s forthcoming open debate on a Joint Resolution concerning Iraq.” This letter was placed into the Congressional Record on 9 October 2002 (page S10154) and has been available in the media and on the internet.

As stated in that letter, “As always, our declassification efforts seek a balance between your need for unfettered debate and our need to protect sources and methods. We have also been mindful of a shared interest in not providing to Saddam a blueprint of our intelligence capabilities and shortcomings, or with insight into our expectation of how he will and will not act. The salience of such concerns is only heightened by the possibility for hostilities between the U.S. and Iraq. These are some of the reasons why we did not include our classified judgments on Saddam’s decisionmaking regarding the use of weapons of mass destruction (WMD) in our recent unclassified paper on Iraq’s Weapons of Mass Destruction.”

The DCI’s letter further noted that viewing the Senate request with those concerns in mind, however, we declassified the following from the paragraphs the committee requested. They are from pages 66 and 67 of the NIE:

“Baghdad for now appears to be drawing a line short of conducting terrorist attacks with conventional or CBW [chemical or biological warfare] against the United States.

Should Saddam conclude that a U.S.-led attack could no longer be deterred, he probably would become much less constrained in adopting terrorist actions. Such terrorism might involve conventional means, as with Iraq’s unsuccessful attempt at a terrorist offensive in 1991, or CBW.

Saddam might decide that the extreme step of assisting Islamist terrorists in conducting a WMD attack against the United States would be his last chance to exact vengeance by taking a large number of victims with him.”

The letter also noted, regarding a 2 October 2002 closed hearing, that we declassified the following dialogue:

“Senator Levin: If [Saddam] didn’t feel threatened, is it likely that he would initiate an attack using a weapon of mass destruction?

Senior Intelligence Witness: My judgment would be that the probability of him initiating an attack—let me put a time frame on it—in the foreseeable future, given the conditions we understand now, the likelihood I think would be low.

Senator Levin: Now if he did initiate an attack you’ve . . . indicated he would probably attempt clandestine attacks against us. . . But what about his use of weapons of mass destruction? If we initiate an attack and he thought he was in extremis or otherwise, what’s the likelihood in response to our attack that he would use chemical or biological weapons?

Senior Intelligence Witness: Pretty high, in my view.”

The letter further noted that “in the above dialogue, the witness’s qualifications—‘in the foreseeable future, given the conditions we understand now’—were intended to underscore that the likelihood of Saddam using WMD for blackmail, deterrence, or otherwise grows as his arsenal builds.”

#### WHITE PAPER STATEMENT NOT IN NIE

18. Senator LEVIN. Director Tenet, in the October 2002 unclassified White Paper on “Iraq’s Weapons of Mass Destruction Programs” there is a paragraph that is almost the same as a paragraph from the now declassified portions of the October 1, 2002 NIE on “Iraq’s Continuing Programs for Weapons of Mass Destruction.” The paragraph in the NIE states:

“We judge Iraq has some lethal and incapacitating BW agents and is capable of quickly producing and weaponizing a variety of such agents, including anthrax, for delivery by bombs, missiles, aerial sprayers, and covert operatives.”

However, the same paragraph in the unclassified White Paper includes the following additional language at the end of the otherwise identical paragraph: “including potentially against the U.S. homeland.” This clause does not appear in the NIE. Why was this additional language added to the unclassified White Paper when it did not appear in the classified NIE, which was produced before the White Paper?

Director TENET. On 1 October 2002, the Intelligence Community (IC) published the classified, 92 page NIE on “Iraq’s Continuing Programs for Weapons of Mass Destruction,” which had been requested by the Senate Select Committee on Intelligence three weeks earlier.

On 4 October 2002, the IC published a separate unclassified paper, “Iraq’s Weapons of Mass Destruction Programs,” which began work in May 2002.

The unclassified paper incorporated a declassified version of a portion of the Key Judgments from the classified NIE. Specifically, the declassified version of the Key Judgments did not include our judgments related to Saddam’s thinking on weapons use, both because advertising our limitations in understanding Saddam’s thinking on the issue would have been inappropriate at the time and because the unclassified paper itself did not discuss the issue.

- In mid-2003, we declassified the entire Key Judgments from the NIE along with the paragraphs and INR alternative view on the uranium ore issue.

The clause and judgment in question was contained the classified NIE’s Key Judgments, which stated, “We judge has some lethal and incapacitating BW agents and is capable quickly producing and weaponizing a variety of such agents, including anthrax, for delivery by bombs, missiles, aerial sprayers, and covert operatives;” noted Iraqi capabilities to “attempt clandestine attacks against the U.S. Homeland . . . more likely with biological than chemical agents—probably . . . by special forces or intelligence operatives;” and indicated that “the Iraqi Intelligence Service (IIS) probably would be the primary means by which Iraq would attempt to conduct any CBW attacks on the U.S. Homeland, although we had no specific intelligence information that Saddam’s regime had directed attacks against U.S. territory.”

Consistent with the Key Judgments of the NIE, the Key Judgments of the unclassified paper stated, “Iraq has some lethal and incapacitating BW agents and is capable of quickly producing and weaponizing a variety of such agents, including anthrax, for delivery by bombs, missiles, aerial sprayers, and covert operatives, including potentially against the U.S. Homeland.”

The statement and judgment in question also were reflected in the NIE’s Discussion and Annex C.

- The BW discussion of the NIE stated that we assessed that the IIS probably would be the primary means by which Iraq would attempt to attack clandestinely the U.S. Homeland with biological weapons; we had no specific intelligence that Saddam’s regime has directed attacks against U.S. territory; and Baghdad had far less capability to wage a campaign of violence and destruction on U.S. territory than it did in the Middle East region.
- Annex C devoted over two pages to discussing the capabilities of the Iraqi Special Operations Forces and Intelligence Service, and stated that the IIS probably would be the primary means by which Iraq would attempt to attack the U.S. Homeland and was capable of carrying out or sponsoring such attacks.

The capabilities of covert operatives to use BW agents was addressed in the NIE because it related to one of the issues Congress requested—“the likelihood that Saddam Hussein would use weapons of mass destruction against the United States, our allies and friends, or our interests.” Although, as the NIE stated, we had “low confidence in our ability to assess when Saddam would use WMD” and “whether Saddam would engage in clandestine attacks against the U.S. Homeland,” we provided our analytical thinking on the issue of use in the Key Judgments and the NIE. Within these discussions, we included our assessments on the capabilities of these operatives, “including potentially against the U.S. Homeland,” as we did regarding our assessments of the capabilities of UAVs.

At the time the NIE was written, declassifying our limitations in understanding Saddam’s thinking on use was not appropriate in light of the potential for military



operations involving U.S. troops. That said, declassifying our judgment regarding capabilities—in this case, the capability of covert intelligence operatives to deliver BW agents in clandestine attacks against the U.S. Homeland—was consistent with the declassification effort. Therefore, the phrase “including potentially against the U.S. Homeland” was added to the “covert operatives” phrase in the unclassified Key Judgments to account for and remain consistent with the capability, identified in the section of the Key Judgments that was not being declassified.

#### DIFFERENCES BETWEEN NIE AND WHITE PAPER

19. Senator LEVIN. Director Tenet, one difference between the October 1, 2002, NIE on “Iraq’s Continuing Programs for Weapons of Mass Destruction” and the October 2002 unclassified White Paper on “Iraq’s Weapons of Mass Destruction Programs” is the lack of caveats in the White Paper that were included in the NIE. For example, the Key Judgments in the NIE often began with the phrase “we judge” or “we assess,” whereas the comparable text in the White Paper omitted these qualifications. Is there a difference between saying: “Iraq has continued its weapons of mass destruction programs” and “We judge that Iraq has continued its weapons of mass destruction programs?”

Director TENET. The “white paper” on Iraq’s WMD programs was not less qualified in its statements than the IC’s classified papers. To the contrary, it was clear to those working on both the NIE and the unclassified white Paper that the two products would have to track as closely as possible with each other, within the limitations of one being a Top Secret document and the other being unclassified, and one being an NIE produced by named agencies and the other not having such attributions. Indeed, the reason it was decided to use an unclassified version of the NIE’s Key Judgments as the Key Judgments of the white paper—even though the two papers had different origins, scope, and drafters, and the organization of the main texts of the papers differed—was to achieve this consistency.

The portion in question of the white paper was clearly labeled—in large boldface, at the top of the first page the reader sees after opening the cover—as “Key Judgments.” Thus, the sentences already were prominently advertised as judgments—not facts. Different analysts may have different views as to whether or not such words as “we judge” and “we assess” convey a different nuance, but the decision to avoid such language in the white paper was purely an issue of style, related to the fact that use of the first person plural would have been unsuitable for this type of product. NIEs are explicit, on the title page and inside back cover, about who is issuing the document, including which agencies participated and which NIOs supervised it. The unclassified paper had no such attributions, and any “we” would be without a referent—i.e., it would be an inappropriate style.

20. Senator LEVIN. Director Tenet, why were these caveats and qualifiers left out of the unclassified White Paper when they were included in the classified NIE?

Director TENET. Caveats are not simply a matter of wording at the beginning of sentences. Instead, they include qualifying comments noting such things as the lack of confirmation of a report, a shortage of reliable reporting, or the possibility of alternative explanations. No such caveats in the NIE were deleted from otherwise comparable judgments in the white paper. In some instances words differed or were deleted because the NIE used more specific reporting or judgments that, for classification reasons, were not used in the unclassified paper. In some of those instances the unclassified paper might be said to be less definitive than the NIE. For example, the NIE offered specific numerical ranges for how many metric tons of CW agent Iraq possessed and how much CW agent it had added in the previous year. The unclassified paper used only the vaguer judgment that “Saddam probably has stocked a few hundred metric tons of CW agents.”

Similarly, interagency differences were reflected in language in the unclassified paper that did not name specific agencies but made it clear there was not unanimity on the points in question. This was consistent with the general practice of not identifying dissents by named agencies in unclassified community publications. The INR and DOE dissents on aluminum tubes, for example, were reflected in the corresponding parts of the unclassified paper (both Key Judgments and main text) by saying that “most intelligence specialists” believe the tubes were intended for a centrifuge enrichment program but that “some” others believe they were for a conventional weapons program. This clearly was reflecting an assessment of intent, not capability. All agencies agreed in the NIE that the “aluminum tubes could be used to build gas centrifuges for a uranium enrichment program.”

21. Senator LEVIN. Director Tenet, did the Intelligence Community intend to present these views as judgments or as statements of fact?

Director TENET. Finally, CIA and the Intelligence Community do not have an established product type known as “white paper,” even though they publish a variety of unclassified assessments and reports. The closest previous equivalent to the 2002 paper on Iraqi WMD was a paper on the same subject published in 1998. The 1998 paper had a white cover and no agency attributions and was commonly referred to as a “white paper.” The 1998 paper, like the 2002 paper, avoided any use of the first person plural “we” and thus did not have any phrases such as “we judge” or “we assess.”

#### UAVS

22. Senator LEVIN. Admiral Jacoby, prior to the war, elements of the Intelligence Community portrayed a serious threat to the U.S. homeland from small Iraqi unmanned aerial vehicles (UAVs) equipped with biological warfare (BW) agents. The Air Force intelligence component did not agree with this view, and explained in the NIE that it believed Iraq’s small UAVs were intended for reconnaissance, not for BW agent delivery. Prior to the war, did DIA analysts believe that Iraq’s small UAVs posed a serious threat to the U.S. homeland, or that they were intended for reconnaissance?

Admiral JACOBY. [Deleted.]

#### MOBILE TRAILERS

23. Senator LEVIN. Admiral Jacoby, does DIA believe the two trailers found in Iraq were “conclusive evidence” that Iraq “did in fact have” WMD programs? Has DIA concluded that the trailers were intended or used for producing BW agents?

Admiral JACOBY. [Deleted.]

24. Senator LEVIN. Admiral Jacoby, it has been reported that DIA arranged for independent technical analysis of the mobile trailers. Please explain the DIA role and the conclusions of the alternative analysis teams, and when they reached them. Please submit all alternative analysis documents and reports to the committee within 2 weeks of receiving this question.

Admiral JACOBY. [Deleted.]

#### DIA CONCERNS ABOUT DOD POLICY OFFICES

25. Senator LEVIN. Admiral Jacoby, did you have any conversations or other communications with either Secretary Rumsfeld or Deputy Secretary Wolfowitz in which you expressed any concerns about either the Office of Special Plans (OSP) or the Policy Counterterrorism Evaluation Group within the Office of the Under Secretary of Defense for Policy? If so, what were your concerns and how were they addressed?

Admiral JACOBY. I have had no conversations or other communications with either Secretary Rumsfeld or Deputy Secretary Wolfowitz concerning the OSP or the Policy Counterterrorism Evaluation Group. I was unaware of the OSP’s activities with the exception of a briefing I attended at Central Intelligence Agency headquarters in mid-August 2002 on a potential connection between al Qaeda and the Iraqi regime. I am also unaware of the activities of the Policy Counterterrorism Group. Your question is the first time that I have heard of this particular group.

#### AL QAEDA AND ZARQAWI

26. Senator LEVIN. Director Tenet and Admiral Jacoby, the letter from Abu Musab al-Zarqawi to senior al Qaeda leadership that was seized in January offers assistance to al Qaeda in its fight against the United States and groups in Iraq. The letter indicates that while there may be affinity between the groups based on mutual goals, there was not much of a relationship, if any, between the two groups prior to January 2004. What is the assessment of the Intelligence Community was there a relationship between al Qaeda and Zarqawi’s group, Ansar al Islam, prior to January, and if so, how would you characterize it?

Director TENET. [Deleted.]

Admiral JACOBY. [Deleted.]

27. Senator LEVIN. Director Tenet, there appears to be some confusion about some of the relationships between terrorist groups, which people characterize in different ways. I am particularly interested in your assessment of the relationship between three main groups: al Qaeda, the Zarqawi network, and Ansar al-Islam.

Some people use membership in these groups almost interchangeably, while others use more careful language. For example, Secretary Powell, when talking about terrorists in Baghdad, mentioned only Zarqawi and his network, but appeared to be implying that al Qaeda personnel also were being offered safe haven. Secretary Rumsfeld and National Security Advisor Rice were more explicit, saying in September 2002 that al Qaeda "members," "personnel," and "operatives" were in Baghdad. In your testimony last year, you described Zarqawi as a "close associate" of al Qaeda, but that you didn't, at that point, have any evidence that Zarqawi was under the control of the Iraqi regime. What is Zarqawi's relationship with al Qaeda? Is he a member, an associate, an al Qaeda planner, or something else?

Director TENET. [Deleted.]

28. Senator LEVIN. Director Tenet, what is the importance of the distinction that you appeared to draw between being an associate and a member?

Director TENET. [Deleted.]

29. Senator LEVIN. Director Tenet, what is the relationship between al Qaeda and Ansar al-Islam? Ansar al-Islam's activities in northern Iraq were sometimes attributed to al Qaeda. Is that an appropriate characterization of that relationship?

Director TENET. [Deleted.]

30. Senator LEVIN. Director Tenet, what is the distinction between al Qaeda's and Ansar al-Islam's activities?

Director TENET. [Deleted.]

#### NONPROLIFERATION/THREAT REDUCTION PROGRAMS

31. Senator LEVIN. Director Tenet, in a speech last month at the National Defense University, President Bush spoke on nonproliferation and made recommendations for further work. One of the areas was the expansion of the nonproliferation program established by former Senator Sam Nunn and Senator Richard Lugar. President Bush said: "I propose to expand our efforts to keep weapons from the Cold War and other dangerous materials out of the wrong hands." What in your view are the primary unaddressed threats that the Nunn-Lugar cooperative threat reduction and nonproliferation programs at the Departments of Defense and Energy should be expanded to address?

Director TENET. [Deleted.]

#### PRE-WAR PLANNING FOR POST-SADDAM IRAQ

32. Senator LEVIN. Director Tenet, were there pre-war assessments of whether there would be a long, costly, bloody occupation with significant U.S. casualties after Saddam Hussein was removed from power? If so, what were the conclusions and to whom were they sent?

Director TENET. [Deleted.]

33. Senator LEVIN. Director Tenet, what was the Intelligence Community's pre-war assessment about the likelihood that foreign terrorists would conduct operations in Iraq during and in the aftermath of major combat operations?

Director TENET. [Deleted.]

34. Senator LEVIN. Director Tenet, in the January 2004 edition of The Atlantic Monthly, James Fallows describes a 2-day exercise conducted by the National Intelligence Council at the CIA concerning post-Saddam Iraq. Please describe the exercise, including its objectives and results, and with whom they were shared. He reports that the DOD prohibited military officials from participating. Is that correct?

Director TENET. [Deleted.]

35. Senator LEVIN. Director Tenet, in that same article, Mr. Fallows writes: "In late May [2002] the CIA had begun what would become a long series of war-game exercises, to think through the best- and worst-case scenarios after the overthrow of Saddam Hussein." Could you describe these exercises, including the objectives and results, and with whom they were shared?

Director TENET. [Deleted.]

36. Senator LEVIN. Director Tenet, Mr. Fallows reports that, although there were DOD officials at the first of these May sessions, they were told not to continue participating. Were there DOD or military officials at the initial sessions, and did they continue to participate?

Director TENET. [Deleted.]

37. Senator LEVIN. Director Tenet, what was the role of the CIA in the DOD post-conflict planning effort, if any?

Director TENET. [Deleted.]

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#### QUESTIONS SUBMITTED BY SENATOR DANIEL K. AKAKA

##### NORTH KOREAN MISSILE DEVELOPMENTS

38. Senator AKAKA. Admiral Jacoby, in your testimony you state that North Korea is continuing to develop its Taepo Dong 2 intercontinental missile and you also cite press reports suggesting that North Korea is preparing to field an intermediate range missile that could reach Okinawa or Guam. Have the North Koreans flight tested more than once the Taepo Dong and is it your assessment that they are placing more emphasis on an intermediate range missile than an intercontinental ballistic missile?

Admiral JACOBY. North Korea has flight tested the Taepo Dong 1 only once, in August 1998. Neither the Taepo Dong 2 Intercontinental Ballistic Missile/Space Launch Vehicle nor the new Intermediate Range Missile have been flight tested. It is unclear at this time if the North Koreans are emphasizing one missile over the other.

##### CRUISE MISSILE DEVELOPMENTS

39. Senator AKAKA. Admiral Jacoby, I want you to know I share your concern about the proliferation of cruise missile developments. I chaired a hearing on this subject in June 2002 in the Governmental Affairs Committee so it has been a problem I have seen long on the horizon. I do not know if you have seen it yet, but the General Accounting Office (GAO) recently issued a report to the House Government Reform Committee titled, "Improvements Needed to Better Control Technology Exports for Cruise Missiles and Unmanned Aerial Vehicles." This follows a January GAO report on problems in enforcing post-shipment verification of critical United States exports to countries of concern, especially China. We keep on identifying a problem. We know which countries place the greatest barriers to verification but little changes. I hope you share my frustration. How do we improve both our pre- and post-shipment controls on critical exports?

Admiral JACOBY. The question would be best addressed by the organizations directly involved in pre-license checks (PLCs) and post-shipment verifications (PSVs)—the Department of State, Department of Commerce, and the Defense Technology Security Administration (DTSA). Representatives from the two departments are involved in administering the PLCs and PSVs and the DTSA generally recommends the controls that are implemented as a condition for selling export controlled commodities.

##### PROLIFERATING COUNTRIES

40. Senator AKAKA. Admiral Jacoby, you stated that, "Chinese companies remain involved with nuclear and missile programs in Pakistan and Iran. In some cases, entities from Russia and China are involved without the knowledge of their governments." Your statement suggests that, in some cases, Russian and Chinese entities are involved with the knowledge of their governments. The press have reported that Chinese nuclear weapon blueprints have been found in Libya. Is there information that the Chinese government continues to be involved in Pakistan's nuclear weapons program despite its commitments under the Nuclear Nonproliferation Treaty?

Admiral JACOBY. [Deleted.]

## IRAQ

41. Senator AKAKA. Admiral Jacoby, in the hearing, I asked you about the security of conventional weapons depots in Iraq left over from the Iraqi military. I would appreciate it if you could give me a classified response to my question concerning whether or not there have been any substantial thefts from these sites. If so, what has been taken and under what type of security were these sites when they were robbed?

Admiral JACOBY. [Deleted.]

42. Senator AKAKA. Admiral Jacoby, I also asked you about trends in violence in Iraq. Could you provide me with a more detailed response, including statistics, as to whether or not there has been an increase or decrease in the number of attacks in the southern part of Iraq over the last 4 months?

Admiral JACOBY. [Deleted.]

43. Senator AKAKA. Admiral Jacoby, I also asked you about the treatment in northern Iraq of the Turkoman minority and you indicated that there had been no violence against them. I would like to ask this question again in order that you might be able to review their situation for the record.

Admiral JACOBY. [Deleted.]

44. Senator AKAKA. Director Tenet, you mentioned that violence in Iraq continues from “multiple groups” and that while the daily average of attacks against U.S. forces and our allies has declined compared to November, the number is similar to that in August. Admiral Jacoby notes that Iraqi terrorists “have adjusted to coalition tactics.” Would you say that there are more groups attacking our forces and that they are more lethal or do you think there are fewer groups having less impact?

Director TENET. As of late June, the overall number of attacks against the Coalition has been steady for the past 2 months but is higher than any period last year. The number of groups changes on a daily basis as additional groups form or as some merge together. Some of the groups carrying out these attacks—primarily the Zarqawi organization—have focused on high-visibility, high-casualty events such as suicide and car-bombings. These limited number, high impact attacks give the appearance of increased lethality, while the majority of the attacks do not cause casualties or damage coalition equipment or facilities.

45. Senator AKAKA. Director Tenet, do you detect any change in the intensity or frequency of the attacks?

Director TENET. [Deleted.]

46. Senator AKAKA. Director Tenet, the Coalition Provisional Authority (CPA) was instrumental in forming a number of municipal and provincial councils. Are these councils viewed by Iraqis as legitimate political leaders? If they are not, how do you think it will affect the political transition in Iraq?

Director TENET. [Deleted.]

47. Senator AKAKA. Director Tenet, related to the legitimacy of the political transition, are secular parties growing in influence in Iraq or are Islamic parties becoming more influential?

Director TENET. [Deleted.]

48. Senator AKAKA. Director Tenet, you mention that oil production is increasing and the need to protect facilities from insurgent sabotage. I wonder if you could comment on the attacks on Iraqi infrastructure, especially in the South. Are these increasing? If so, does the increase indicate less stability in the South?

Director TENET. While the insurgents have attacked the oil infrastructure sporadically since last summer, attack levels over the last couple of months are higher than last year and appear more focused on the key components of the infrastructure. This sharper focus, however, is not the result of a less stable Shia-dominated south. Rather, insurgent groups are operating more effectively from areas they have been in before.

## ISLAMIC INSURGENTS IN THAILAND

49. Senator AKAKA. Director Tenet, there seems to be an increase in conflict along the Thai-Malaysian border by Islamic insurgents. How serious are these attacks? Do you believe they are coming from terrorist groups linked to al Qaeda?

Director TENET. [Deleted.]

## ISLAMIC INSURGENTS IN INDONESIA

50. Senator AKAKA. Director Tenet, there are going to presidential elections in Indonesia later this year. The Indonesian government has been cooperating in the war on terrorism but Indonesia is a society with a tradition of Islamic fundamentalism. Do you see an increase in the number of Islamic terrorist groups operating in Indonesia and do you believe that the government will find it easier or harder to cooperate with the United States, during this election year, in the war on terrorism?

Director TENET. [Deleted.]

## SITUATION IN PAKISTAN

51. Senator AKAKA. Director Tenet, I asked you how serious the Pakistani government is about ending Khan's activities. You indicated that you could respond in classified session to my questions concerning whether or not the government has imposed any penalties on him. For example, does he still own his million dollar homes? Also, have we been given access to his interrogation reports including his confession?

Director TENET. [Deleted].

## OTHER WMD NETWORKS

52. Senator AKAKA. Director Tenet, could you describe your efforts to roll up other networks of WMD private entrepreneurs such as that run by Q.C. Chen, whose businesses the United States has sanctioned in the past?

Director TENET. [Deleted].

## INTELLIGENCE ASSESSMENTS OF IRAQ

53. Senator AKAKA. Director Tenet, I also asked you in open session whether or not the NIE on Iraq produced in October 2002 was substantially different in its conclusions than the Intelligence Community document produced in 2000. You indicated that the CIA could provide a detailed comparison of changes in assessments going back 10 years. I appreciate the offer but do not require that information at this time. However, I would appreciate a detailed response to my question as to whether or not conclusions by the Intelligence Community in 2000 were substantially different from the NIE in October 2002 and, if so, how?

Director TENET. [Deleted.]

54. Senator AKAKA. Director Tenet and Admiral Jacoby, last September I asked Secretary Wolfowitz if our pre-war intelligence assessments failed to predict the possibility of a guerrilla war in the post-war environment. In his response he focused on the potential disasters of refugees, starvation, the use of WMD, epidemics, and destruction of the oil infrastructure that were averted or anticipated in our pre-war planning but did not mention the intensity of attacks from various groups. Do you think we adequately anticipated the level and intensity of guerrilla attacks against Coalition Forces in the post-war situation?

Director TENET. [Deleted.]

Admiral JACOBY. [Deleted.]

SEARCHING FOR OSAMA BIN LADEN

55. Senator AKAKA. Director Tenet, you indicated to me in open session that you could provide a better response classified to my question as to whether or not you are satisfied with the Pakistani counterterrorism strategy in this latest effort to get Osama bin Laden and, if not, what causes you concern?

Director TENET. [Deleted].

[Whereupon, at 12:39 p.m., the committee adjourned.]

